Q BioMed Inc.
(OTCQB: QBIO, Target Price: $6.00)

Based in New York, NY, Q BioMed Inc. (OTCQB: QBIO) is a biomedical acceleration and development company focused on identifying, acquiring and licensing attractive biomedical assets from small private companies and academia, which lack the resources and experience to bring their programs to market on their own. QBIO seeks to add value to its investments by providing strategic capital, industry resources and experience in order to accelerate the development and commercialization of life science assets. QBIO is led by an experienced management team with a meaningful stake in the company, which sees several potential catalysts over the next year, including the continued advancement of its initial clinical candidate, **MAN-01** for glaucoma, and the recently completed exclusive license agreement for Strontium Chloride ("SR89"), an FDA-approved generic drug indicated for palliative care for patients suffering from metastatic bone cancer.

Investment Highlights

Exclusive license expands company into palliative care

We were pleased to see that on September 6, 2016, QBIO completed the exclusive license for SR89. Management had disclosed this opportunity in a June 2016 press release, and completed the agreement in the expected time frame and at what appears to be attractive terms.

Near-term revenue opportunities; long term potential

The agreement to acquire IP related to SR89 should position QBIO for near term revenue generation. The company described the generic radiopharmaceutical as “revenue ready” and we note that it has already approved by the FDA. Management expects initial revenues within a year and believes it can generate $1mn+ in annual revenues within the first year following the procurement of materials and implementation of manufacturing and marketing strategies; QBIO also has an intermediate goal of generating 10mn+ in annual sales within 3-5 years.

Increasing target to $6.00 following license deal

We are raising our price target to $6.00 for QBIO, as the risk that the cancer palliative deal was unable to close has dissipated. With the deal complete, we increased our expectations and weighting for this program, and look forward to hearing from management about the specific timing of revenues and the timeline for expansion. Moreover, we note that the company now has two completed programs, with potential new deals slated for the future. As QBIO is able to source and close more attractive deals, management will be able to point to a history that shows a replicable process of identifying and enhancing value in the market. The target of $6.00 represents upside potential of 26.3% from the recent close of $4.75.

Stock Details (9/15/16)

OTCQB:	QBIO
Sector / Industry	Healthcare / Biotechnology
Price target	**$6.00**
Recent share price	$4.75
Shares o/s (mn)	8.9
Market cap (in $mn)	42.1
52-week high/low	$4.75 / 1.26

Source: Bloomberg, SeeThruEquity Research

Key Financial ($mn, unless specified)

	FY15A	FY16E	FY17E
Revenues	0.0	0.0	1.3
EBITDA	(1.0)	(4.7)	(4.3)
EBIT	(1.0)	(4.7)	(4.3)
Net income	(1.1)	(5.2)	(3.0)
EPS ($)	(0.12)	(0.55)	(0.27)

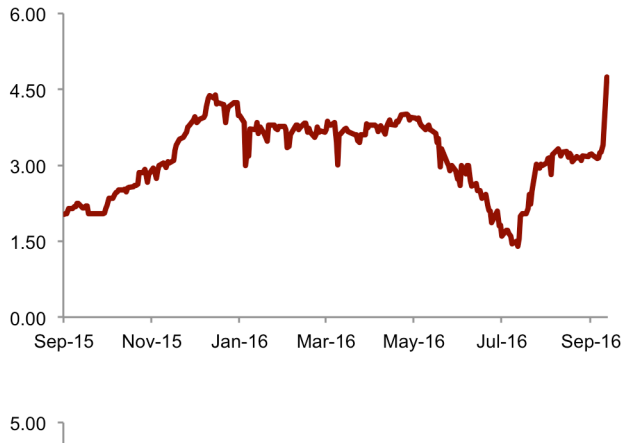
Source: SeeThruEquity Research

Key Ratios

	FY15A	FY16E	FY17E
Gross margin (%)	NM	NM	NM
EBITDA margin (%)	NM	NM	NM
Net margin (%)	NM	NM	NM
P/Sales (x)	NM	NM	31.4
EV/Revenue (x)	NM	NM	39.2

Source: SeeThruEquity Research

Stock Performance, LTM



5.00

QBIO closes license agreement for cancer palliative drug with near term revenue potential

- On September 7, 2016, QBIO announced that it had completed an exclusive license and option agreement for all intellectual property related to **Strontium Chloride ("SR89")**. The license agreement finalizes an announcement made by the company in June 2016. We see the completed agreement as a significant accomplishment for QBIO given that it expands the company's portfolio, presents realistic near-term revenue opportunities, and also shows that the management team can meet its goals for corporate actions – the agreement was completed within the initial timeframe outlined by management (which was calendar 3Q16).

- **SR89** is an FDA approved generic drug, which is a radiopharmaceutical agent indicated for palliative care for patients suffering from metastatic bone cancer. This represents a large initial opportunity, given that each year there are approximately 300,000 new cases of bone metastases in patients with breast and lung cancer in the U.S. alone.

- SR89 appears well suited for this indication as it has been shown to provide lasting relief for patients suffering from bone pain due to metastatic cancer, typically caused by advanced-stage breast, prostate or lung cancer. Indeed, the company noted in its announcement that approximately 80% of patients using SR89 reported experiencing a substantial decrease in pain, an increase in physical activity and a reduction in the need for opiate analgesics like morphine.

- **QBIO management expects revenues within first year for SR89**: As we noted in our initiation of coverage on QBIO, the SR89 program is FDA-approved and revenue ready. Management expects the drug could generate $1mn+ in revenues for QBIO in the first year following its procurement of materials and the implementation of manufacturing and marketing strategies.

- **QBIO to seek to expand label to larger therapeutics market.** The deal offers QBIO an attractive entry point to a cancer palliation drug. Indeed, QBIO management stated in investor materials that it is targeting a goal of $10mn+ in annual sales within 3-5 years from its first product.

QBIO and partner Mannin Research continue to advance MAN-01

- On September 1, 2016, QBIO provided a positive update to investors about the progress made by the company over the last several months.

- The letter to shareholders included an update on QBIO's initial asset, MAN-01 for glaucoma, which it is advancing with partner Mannin Research.

- MAN-01 is a preclinical small molecule designed for the treatment of glaucoma. Glaucoma represents a significant opportunity – it is an eye disease that affects 60mn people globally and represents a $5 billion annual market, according to the World Health Organization. No new drugs for glaucoma have been approved by the FDA in 20 years, despite the current standard of care being effective at stopping the progression of glaucoma but not providing a cure.

- MAN-01 is a pre-clinical asset which QBIO has licensed from Mannin Research, and the companies are working together to optimize a small molecule for a topical route of administration, and we expect the companies to provide details of the clinical study in 2017, with the first-in-human proof-of-concept clinical trial executed in 2018E.

- QBIO also indicated that it and Mannin are exploring strategic partnership discussions with companies and technologies that will strengthen Mannin's intellectual property portfolio in the Tie2/TEK mechanism of action market. The technology is designed to treat intraocular eye pressure (IOP), and utilizes the recently identified and unique relationship between Tie2 signaling and the Schlemm's Canal, which is responsible for 70% - 90% of fluid drainage in the eye.

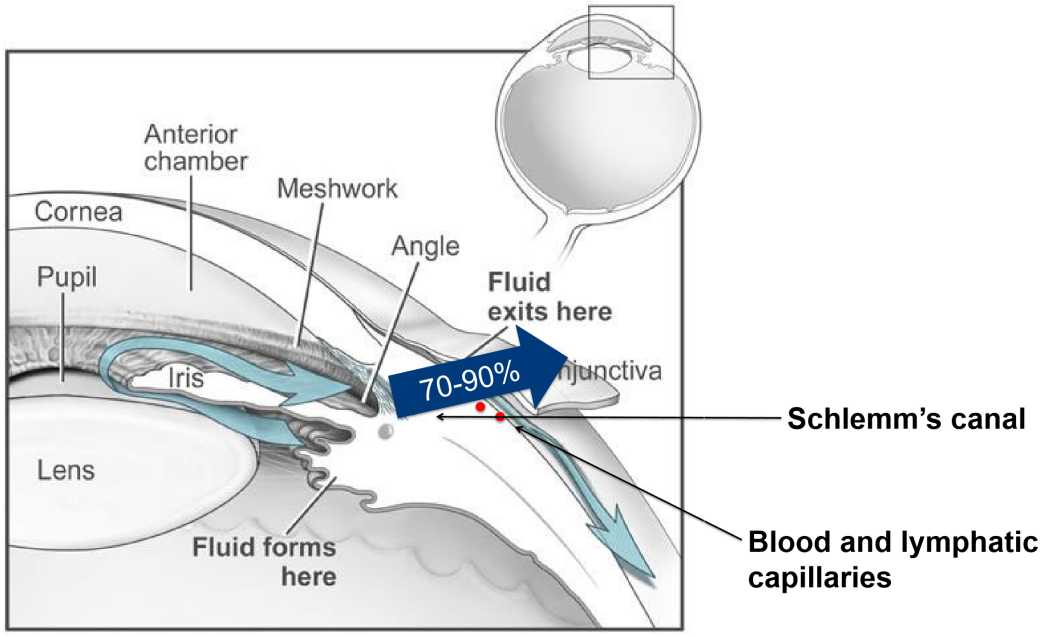


Image credit: National eye institute

- As we noted in our initiation of QBIO, the company aims to make more acquisitions / license deals in the short run. We continue to expect the company to complete another 1-2 deals in the future. Management stated that they have begun conducting due diligence on several potential assets expanding the ophthalmology pipeline.

Raising price target to $6.00 following completion of SR89 licensing deal

- We are raising our price target to $6.00 for QBIO, following the completion of the company's deal to acquire IP for SR89, an FDA-approved, revenue ready cancer palliative.

- With the deal complete, we increased our expectations for this program, and look forward to hearing from management about the specific timing of revenues and the timeline for expanded market applications.

- QBIO indicated that it has multiple potential deals in its pipeline. In our view, with each new deal the company shows that it benefits from a strong management team with a replicable process for sourcing deals, identifying attractive biomedical assets, and enhancing their value in the market.

- The price target of $6.00 suggests potential upside of 26.3% from the recent price of $4.75. We note that QBIO shares have performed well during our coverage period, rising from $2.05 when we initiated coverage in July 2016, to $4.75 on September 19, 2016.

Management Team

Mr. Denis D. Corin – Chief Executive Officer, President and Director

Mr. Denis D. Corin serves as QBIO's President, CEO and as a Director. Mr. Corin is an experienced public company executive and management consultant. He has worked almost exclusively in the biomedical field for over 13 years from large pharma and diagnostic companies to small innovative biotech. He has served in various senior executive roles and has been instrumental is building and restructuring businesses. Mr. Corin has raised millions of dollars in development capital to advance businesses. Mr. Corin also serves as a Management Consultant to the executives and board of TapImmune Inc., a clinical stage immune-oncology company where had previously served as CEO and President. He has been a Director of Q BioMed, Inc. since April 2015. He served as a Director of TapImmune Inc., from July 2009 to May 2012. He holds a Bachelors Degree majoring in both Economics and Marketing & Advertising Management from the University of Natal, South Africa.

William Rosenstadt, General and Corporate Securities Counsel and Director

William Rosenstadt is the founding and managing partner of Sanders Ortoli Vaughn-Flam Rosenstadt LLP an international law firm located in New York and has been a practicing attorney since 1995. William advises entrepreneurs, public companies, and other corporate entities with respect to the execution of complex commercial, corporate, and international transactions. William often serves as general counsel to his clients advising them with respect to public and private financings (equity and debt), federal securities law compliance and other merger and acquisition related transactions. Mr. Rosenstadt and his firm are authorized to sponsor issuers on the OTC Markets as Principal American Liaisons ("PAL") and Designated Advisors for Disclosure ("DAD") and were instrumental in introducing the Canadian Securities Exchange to the OTC Markets and having it designated as an authorized exchange. Early in his legal career, Mr. Rosenstadt was general counsel to American Industrial Acquisition Corporation, a private equity firm focused on investing in privately held, middle market manufacturers in the wire/cable and defense industries. Mr. Rosenstadt graduated from Syracuse University with a B.A. in 1990 and received his J.D. from the Benjamin N. Cardozo School of Law in 1995. Further, he is admitted to the bars of New York, New Jersey, and Connecticut as well as the Second Circuit of the federal courts of the United States.

Ari Jatwes, Corporate Advisor and Senior Analyst

Ari Jatwes is an analyst and a banker, with over twenty years of experience. He began his career in a large accounting firm, progressing to a reputable investment bank, where he gained his tremendous experience in mergers and acquisitions. Over the last decade Ari's interest and focus has been in the biotech and pharma sector, which included trading biotech stocks from start up to late stage biotech companies, advising management and raising capital for their needs. Ari has played an integral role in several successful contracts and transactions in the healthcare space - with emphasis on the life sciences and immunotherapy. Mr. Jatwes holds two Master degrees and a Bachelor Degree from the University of South Africa and the University of Natal.

Mr. Laskow-Pooley, VP Scientific & Product Development

Mr. Laskow-Pooley has 30 years of experience in all aspects of the discovery, development and commercialization of pharmaceutical products, diagnostics and devices. He is an industry veteran and has a distinguished career working for numerous pharmaceutical and life sciences companies. David has held director, executive officer and general management posts in both small and major multinational companies including GSK, Abbott, Amersham plc, Life Technologies, OSI, Bilcare and Surface Therapeutics.

Advisory Board

Mannin Research, Inc.

Dr Susan Quaggin – Chief Scientific Officer

Dr. Quaggin graduated from the Faculty of Medicine at the University of Toronto in 1988 and received her specialty degree in Internal Medicine in 1992. She completed her sub-specialty training in Nephrology in 1993 at U of T and did a post-doctoral fellowship at Yale University where she studied the genetic basis of kidney development. In 1997, she returned to Toronto to do a second post-doctoral fellowship in mouse genetics in the laboratory of Janet Rossant. From 1997 until 2012, she was at the University of Toronto where she was a Senior Scientist at the Samuel Lunenfeld Research Institute, a practicing Nephrologist at St. Michael's Hospital and the Gabor-Zellerman Professor in Renal Medicine.

Dr. Quaggin has served as an elected councilor of the American Society for Clinical Investigation (ASCI), is a member of the ISN executive Council and was elected to the American Association of Physicians (AAP) in 2013. She received the Kidney Foundation of Canada 2009 Award for Research, a Finnish Distinguished Professorship in 2012 and the Alfred Newton Richards Award for Basic Science from the International Society of Nephrology in 2013. In addition, Dr. Quaggin sits on the editorial boards of several journals, and has organized a number of international renal and vascular meetings. In January 2013, Quaggin joined Northwestern University Feinberg School of Medicine as the Charles Horace Mayo Professor of Medicine, where she serves as the director of the Feinberg Cardiovascular Research Institute (FCVRI) and chief of the Division of Nephrology and Hypertension. Quaggin's research program focuses on genetic pathways required to establish and maintain the integrity of microvascular beds including the glomerular filtration barrier – a highly selective filter that separates the blood from the urinary space. To understand the pathways and interactions between perivascular cells and the endothelium, her research team has developed a number of genetic models that permit cell and time-specific manipulation of gene expression.

George Nikopoulos, CEO

Dr. Nikopoulos has worked with and advised a number of biotechnology, pharmaceutical and med-tech companies in addressing their pre-market, start-up and early stage commercialization programs. Dr. Nikopoulos' expertise includes translating complex technologies and innovations into strategies for commercialization, market research, and business development as well as pre-clinical toxicology study design, and research and development. Dr. Nikopoulos received his BSc. from the University of Western Ontario, his PhD in Biochemistry and Molecular Biology from the University of Maine, where he received a fellowship from the American Heart Association, and an MBA from the Ivey School of Business, where he was the recipient of the Fairfax Award.

Wombat Capital Ltd.

Andy Watson Senior Advisor: *Diagnostics, Companion Diagnostics, Genomics and Life Science Tools*
Dr. Geert Cauwenbergh Senior Advisor: *Skin Care, Dermatology, Wound Care, OTC, Infectious Diseases, Women's Health*
Dr. Helga Grupe Senior Advisor: *Oncology*
Dr. Jose de Chastonay Senior Advisor: *Contract Services*
Dr. Scott P Bruder Senior Advisor: *Medical Device Orthopedics and Regenerative Medicine*
John Erb Senior Advisor: *Medical Device Cardio Vascular*
MaryJan Rafii Senior Advisor: *Ophthalmology*

About Q BioMed Inc.

Q BioMed Inc."Q" is a biomedical acceleration and development company. We are focused on licensing and acquiring biomedical assets across the healthcare spectrum. Q is dedicated to providing these target assets the strategic resources, developmental support, and expansion capital the need to ensure they meet their developmental potential, enabling them to provide products to patients in need.

Contact

Ajay Tandon
SeeThruEquity
www.seethruequity.com
(646) 495-0939
info@seethruequity.com

Disclosure

This research report has been prepared and distributed by SeeThruEquity, LLC ("SeeThruEquity") for informational purposes only and does not constitute an offer, solicitation or recommendation to acquire or dispose of any investment or to engage in any transaction. This report is based solely on publicly-available information about the company featured in this report which SeeThruEquity considers reliable, but SeeThruEquity does not represent it is accurate or complete, and it should not be relied upon as such. All information contained in this report is subject to change without notice. This report does not constitute a personal trading recommendation or take into account the particular investment objectives, financial situation or needs of an individual reader of this report, and does not provide all of the key elements for any reader to make an investment decision. Readers should consider whether any information in this report is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties, many of which are beyond the company's control. Actual results could differ materially and adversely from those anticipated in such forward-looking statements as a result of certain industry, economic, regulatory or other factors.

SeeThruEquity is not a FINRA registered broker-dealer or investment adviser and does not provide investment banking services. SeeThruEquity does not accept or receive fees or other compensation for preparing its research reports. SeeThruEquity has not been retained or hired by the company featured herein or by any other party to prepare this report.

In some but not in all instances, SeeThruEquity and/or its officers, directors or affiliates may receive compensation from companies featured in its reports for non report-related services which may include charges for presenting at SeeThruEquity investor conferences, distributing press releases and performing certain other ancillary services. The company featured in this report paid SeeThruEquity its standard fee described below for distributing a press release on this report. Such compensation is received on the basis of a fixed fee and made without regard to the opinions and conclusions in its research reports. The fee to present at SeeThruEquity conferences is no more than seven thousand dollars, and the fee for distributing press releases is no more than fifteen hundred dollars. The fees for performing certain other ancillary services vary depending on the company and service provided but generally do not exceed five thousand dollars. In no event is a company on which SeeThruEquity has issued a report required to engage it with respect to these non report-related services. SeeThruEquity and/or its affiliates may have a long equity position with respect to a non-controlling interest in the publicly traded shares of companies featured in its reports, and follows customary internal trading restrictions pending the release of its reports.

SeeThruEquity's professionals may provide verbal or written market commentary that reflects opinions that are contrary to the opinions expressed in this report. This report and any such commentary belong to SeeThruEquity and are not attributable to the company featured in its reports or other communications. The price and value of a company's shares referred to in this report may fluctuate. Past performance by one company is not indicative of future results by that company or of any other company covered by a report prepared by SeeThruEquity. This report is being disseminated primarily electronically and, in some cases, in printed form. An electronic report is made simultaneously available to all recipients. The information contained in this report is not incorporated into the contents of our website and should be read independently thereof. Please refer to the Disclosures section of our website for additional details.