

January 24th, 2017

Dear Investor,

The year has kicked off in a very positive way here at OB Pharma. We are engaged with some new important relationships that we believe will add significantly to OB's progress.

## **The Center for Drug Research and Development**

We recently traveled to Vancouver and had a very successful and enlightening meeting with The Center for Drug Research and Development (CDRD). They are now officially working with us to create a program to specifically test OB's compounds. We are developing a budget and a series of milestones that we will achieve with CDRD's help. This first work will focus on toxicity, metabolism and formulation for our administered compounds. We are excited to work with this group and hope this testing is the first in a series of milestones that CDRD will help OB accomplish. Their facility at UBC is very impressive and they have shown a keen interest in our work. New investment dollars currently coming in will advance our relationship with CDRD. CDRD is sufficiently interested in OB that it is willing to take equity for 50% of the research budget.

## **The Mode of Action... How Do Our Compounds Work?**

We have also progressed our initiative with a major public Canadian drug company that has confirmed that they will work with us to test a series of our compounds. They are interested in both testing our claims for low dosage efficacy as well as helping us determine the "mode of action" or how our drugs actual effect sodium channels. This company has a focus on drugs that affect sodium channels. Given successful results (and we are confident) the potential for further discussions relating to a commercial relationship is likely. OB will receive the data sets that result from this testing and this will add to our understanding of the biological activity of our molecules. The absence of this data has been a limiting factor in some of our discussions with various venture capital groups. We expect that the new data will help us break down those information related barriers.

## **Looking For Capital South of the Border**

Our newest scientific advisor, Dr. Larry Mahan spent a week at the JP Morgan Healthcare Conference in San Francisco in mid-January prior. He has been successful making contacts with some important venture funds that would like to take the next steps with us. To that end, we are in the process of trading non-disclosure documents with some of these new interested parties.

## **Our New Research and New Patents**

Our labs are still busy. As we move some of our work to third parties for independent testing, our labs have moved on to our own new research. We have begun to investigate the efficacy of our compounds in the control or mitigation of epilepsy that results from significant brain trauma. It has been determined that brain trauma is responsible for 30% of the occurrences of epilepsy.

Concussion and brain trauma are becoming more and more a focus of research into the long term effects of head injuries. The first data sets from our new research in brain trauma are very encouraging.

Indications are that one of our compounds can actually halt the onset of brain activity that is believed to induce the development of epilepsy after moderate brain trauma. These tests are only beginning and the first results are preliminary but they are pointing at a new valuable therapy. The implication for this type of therapy is staggering. It could lead to a prophylactic drug that is prescribed to anyone who has had the misfortune to suffer a significant head injury. Obviously, the market for this type of drug would be very large.

OB has continued to protect our intellectual property by completing and filing new patents for another family of molecules. We announced this patent when we filed the provisional patents in the summer it was formally filed on January 6, 2017. We are confident that these new molecules and our claims for these molecules will pass scrutiny and be a valuable addition to our company's value.

So all in all, it has been a good start to 2017 for OB.

There is however the issue of capital and to this end, we have created a new set of subscription agreements. We have included a significant addition or "sweetener" in this current raise. We had a request from a significant and new shareholder to include a warrant in this current issuance. We believed that this was a reasonable ask so we have included a warrant. The warrant gives current subscribers the right to buy up to one half of the shares bought in this raise at the same price of \$6.00 and for the period of one year. The documents in this package include a subscription agreement that references the warrant and also a sample of warrant certificate that we will complete and send back to you after we have received your new investment.

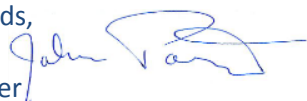
We are at a critical point at OB Pharma and each new test and new indication of interest from drug industry participants has the potential to measurably raise the company's value. It is our objective to continue to serially issue new shares, in moderate amounts and with incrementally higher share prices. We continue to "de-risk" our project with these smaller raises with the intent of doing a larger raise once the risk is lower, certainty closer and a share value that reflects this greater potential. It is a slower route to success but one that will reward early shareholders the most through limited dilution in the early days of discovery.

The reality of a drug development project is serially being in the "capital raise mode". This goes with the territory as we move through the various milestones to successful science, valuable treatments and for investors, significant value creation.

Once again, thank you very much for past support and I hope you take a serious look at this new subscription and give it consideration.

Best Regards,

John Poulter



P.S.

If you have not yet sent back the signed waiver to accept our un-audited financial statements please do, it's a bit of housekeeping I have to complete for the lawyers. I have included the waiver once again in case you no longer have it handy.