

## M PHARMACEUTICAL'S CEO ISSUES LETTER TO SHAREHOLDERS

VANCOUVER, B.C., CANADA (10 September 2015) - **M Pharmaceutical, Inc.** (CSE:MQ, OTCQB: MPHMF, FWB:T3F2), (the "Company"), a clinical-stage company developing innovative technologies for the monitoring and treatment of obesity, diabetes, and other gastroenterological indications, today released the following letter to shareholders from the Company's CEO, Matthew Lehman.

Dear Shareholders,

After my first week on the job as M Pharmaceutical's new CEO, I wanted to take the opportunity to present a general overview of the Company's plans for growth.

The common theme among our portfolio of technologies is a patient-centered approach. Dr. Martin Mintchev and his colleagues designed technologies intended to be efficacious and practical. M Pharma, as we develop these technologies into commercially viable products, will maintain the same focus: to deliver devices that are best-in-class, less invasive, and with fewer side effects than what is currently available to patients.

### Expanding the team

Medical products are only as good as the people that develop them. Among my highest priorities is to recruit a top-calibre team of professionals with a track record of success in the industry. I anticipate a number of key appointments in the coming weeks.

### Corporate development

Our Company was newly formed in 2015 and is still relatively unknown. A big part of my job is to introduce M Pharma to the investment community, especially in the United States as it is the largest and most important market for biomedical technologies in the world. My efforts will include presenting at health care and investment conferences (such as the SeeThruEquity conference this week in New York), regular communication to shareholders, and enhancing the Company's presence on social media. I encourage shareholders to follow M Pharmaceutical on Twitter (@MPharmaceutical) and Facebook to keep abreast of our news.

### Product development

There are three key measures of success for our products: efficacy, safety, and manufacturing quality. All three of these factors are critical to the development of a clinically and commercially successful medical device. As I build our team of experts, we will be refining our development plan to achieve these critical success factors as expeditiously as possible. I will provide regular updates on our plans and progress. As of now, I can provide guidance on our tentative development strategy:

**Trimeo** is an oral capsule containing wrapped, superabsorbable, biodegradable polymers for oral administration. These pill-like devices are swallowed by patients with water and will expand in the stomach to induce a feeling of fullness and reduce food intake. Trimeo works in two stages, which differentiates our product from other expanding capsules in development. First, as the capsules expand, the polymers stay enclosed in a biodegradable mesh sac which is similar to the sensation your stomach experiences when eating regular food. After a period of time, the sac disintegrates and the polymer particles continue to slow gastric emptying of food to the small intestines. Prototypes of Trimeo have been tested in a 16-patient pilot trial and demonstrated a 6% reduction in weight and 6.1% reduction in BMI after two months.

Our near-term goals with Trimeo are twofold: first, to optimize production of the capsules and obtain ISO certification for our manufacturing; and second, to initiate a definitive proof of concept trial in patients to support a possible CE mark in Europe and guide us in larger pivotal efficacy trials. I anticipate starting our proof of concept trial in approximately the 2<sup>nd</sup> quarter of 2016.

**Trimtec** is a responsive microelectronic gastric stimulator about one-half the size of an iPhone® and somewhat slimmer. The device can be implanted just under the skin and can be removed easily. Two electrodes from the device are implanted laparoscopically (minimally invasive procedure) into the distal stomach. As the patient starts to eat, the device will responsively start stimulation of the stomach to induce a feeling of fullness. A study performed in 8 dogs indicated that the device can induce significant weight loss with mild side effects. Our patented technology is differentiated from other gastric stimulation devices in that (1) Trimtec does not attach to the vagus nerve (improving the potential safety) and (2) Trimtec responds to the patient when eating and does not stimulate at arbitrary times. The device can be easily recharged externally via a belt worn at nights.

As recently announced, we plan to manufacture Trimtec with Rishena Co., Ltd. in China. Rishena is optimizing its production quality systems with the intention of achieving ISO certification in 2016. Soon thereafter, M Pharma intends to start a 3-month human pilot trial of Trimtec in approximately the 3<sup>rd</sup> quarter on 2016.

**eMosquito** is a wearable, autonomous, automatic blood glucose monitor about the size of a wristwatch. The device is intended to collect tiny droplets of blood for evaluation at programmed times, alleviating the need of diabetic patients to remember specific times to prick their finger and test glucose levels. Via Bluetooth technology, eMosquito will be able to deliver data to a computer or device.

Currently, prototype development is underway at the University of Calgary lab of Dr. Mintchev. This research is externally funded from by grants. We intend to evaluate promising prototypes in 2016.

I sincerely thank you for your support of our work at M Pharmaceutical and I look forward to keeping you abreast of our developments as we move forward.

Sincerely,

Matt Lehman, Chief Executive Officer

## **About M Pharmaceutical Inc.**

Formed in early 2015, **M Pharmaceutical Inc.** is a clinical-stage company developing innovative technologies for the monitoring and treatment of obesity, diabetes, and other gastroenterological indications. The Company acquired the exclusive rights to three technologies invented by Dr. Martin Mintchev at the University of Calgary: (1) **Trimeo** capsules, temporary controllable pseudobezoars for non-invasive gastric volume reduction for the treatment of obesity; (2) **Trimtec**, gastrointestinal neurostimulators implanted laparoscopically for the treatment of obesity and gastroparesis without permanent anatomical modification of the stomach; and (3) **eMosquito** wearable blood monitor, for automatic and autonomous monitoring of blood glucose by diabetics.

M Pharmaceutical trades on the Canadian Securities Exchange (CSE) under the ticker symbol "MQ" as well as on the OTCQB as "MPHMF" and FWB (Frankfurt Stock Exchange) as "T3F2."

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**Notice regarding Forward Looking Statements:** This news release contains forward-looking statements.

The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements.

Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. This news release includes forward-looking statements with respect to the commercialization of the rights to the eMosquito, Trimeo and Trimtec biomedical technologies. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this news release. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents which can be found under the Company's profile on [www.sedar.com](http://www.sedar.com) and the Company's filings to the CSE at [www.cnsx.ca](http://www.cnsx.ca). Such risk factors may cause the inability of the Company to successfully commercialize any of its biomedical technologies.

**Notice regarding investigational devices:** Trimeo, Trimtec, and eMosquito are investigational devices and are not currently available outside of approved clinical trials. Claims regarding the safety and efficacy of these devices have not been evaluated by Health Canada, the U.S. Food and Drug Administration, or any other international regulatory body.