*A copy of this amended and restated preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, except Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this amended and restated preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

***No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*** *This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.* ***These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, these securities may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person (as such terms are defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This short form prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of these securities within the United States of America or to, or for the account or benefit of, a U.S. person. See "Plan of Distribution".***

***Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.*** *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the issuer at 2488 Dunwin Drive, Mississauga, Ontario L5L 1J9, telephone (416) 679-0536, and are also available electronically at www.sedar.com.*

**AMENDED AND RESTATED PRELIMINARY SHORT FORM PROSPECTUS**
**Amending and Restating the Preliminary Short Form Prospectus dated June 27, 2012**

*New Issue* June 29, 2012

TRIMEL
PHARMACEUTICALS

# TRIMEL PHARMACEUTICALS CORPORATION

## $13,245,750

## 7,569,000 Units

This short form prospectus qualifies the distribution (the "Offering") of 7,569,000 units (the "Units") of Trimel Pharmaceuticals Corporation ("Trimel" or the "Company") at a price of $1.75 per Unit (the "Offering Price"). Each Unit consists of one common share (each, a "Common Share") in the capital of Trimel and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") of Trimel. Each Warrant will entitle the holder thereof to purchase one Common Share (a "Warrant Share") at the exercise price of $2.50 per Warrant Share at any time up to 5:00 p.m. (Toronto time) on the date which is 30 months after the closing of the Offering, subject to acceleration in certain circumstances. The Units will immediately separate on closing into Common Shares and Warrants.

The Units will be sold pursuant to an underwriting agreement (the "Underwriting Agreement") dated June 29, 2012 between the Company and RBC Dominion Securities Inc. and GMP Securities L.P. (collectively, the "Underwriters"). The Offering Price was determined by negotiation between Trimel and the Underwriters. $1.69 of the Offering Price will be allocated as consideration for the issue or sale of each Common Share and $0.06 of the Offering Price will be allocated as consideration for the issue of one-half of a Warrant.

The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "TRL." The closing price of the Common Shares on the TSX on June 28, 2012, the last trading day before the date hereof, was $1.60 per share. Trimel has applied to list on the TSX: (i) the Common Shares and Warrants to be issued upon closing of the Offering; (ii) the Over-Allotment Shares (as defined below) and Over-Allotment Warrants (as defined below) to be issued upon exercise of the Over-Allotment Option (as defined below); (iii) the Warrant Shares to be issued upon due exercise of the Warrants; and (iv) the Over-Allotment Warrant Shares (as defined below) to be issued upon due exercise of the Over-Allotment Warrants. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX, including, in the case of the Warrants and Over-Allotment Warrants, distribution of the Warrants to a minimum number of public securityholders. There can be no assurance that the Warrants will be listed.

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**An investment in the Units involves a high degree of risk. See "Forward-Looking Statements" and "Risk Factors" herein, as well as "Risk Factors" in the Company's Annual Information Form, which is incorporated by reference into this short form prospectus and can be found on SEDAR at www.sedar.com. There is currently no market through which the Warrants may be sold and purchasers may not be able to resell Warrants comprised in the Units that are purchased under the short form prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See "Plan of Distribution" and "Risk Factors".**

## Price: $1.75 per Unit

| Offering | Price to the Public | Underwriters' Fee[1] | Net Proceeds to the Company[2] |
|---|---|---|---|
| Per Unit | $1.75 | $0.105 | $1.645 |
| Total[3] | $13,245,750 | $794,745 | $12,451,005 |

(1) Pursuant to the Underwriting Agreement, the Company has agreed to pay to the Underwriters a fee of $794,745 (the "Underwriters' Fee), representing 6.00% of the aggregate gross proceeds of the Offering. See "Plan of Distribution".

(2) After deducting the Underwriters' Fee, but before deducting the expenses of this Offering, estimated to be $513,500.

(3) The Company has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part in the sole discretion of the Underwriters at any time and from time to time until the date which is 30 days following the Closing Date, to purchase up to an additional 1,135,350 Common Shares at a price of $1.69 per Common Share (the "Over-Allotment Shares") and up to an additional 567,675 Warrants at a price of $0.12 per Warrant (the "Over-Allotment Warrants" and, together with the Over-Allotment Shares, the "Over-Allotment Securities"), or a combination thereof, to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters' Fee, the net proceeds to the Company (before deducting expenses of the Offering) will be $15,232,613, $913,957 and $14,318,656, respectively. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Securities upon exercise of the Over-Allotment Option. Unless the context otherwise requires, all references to "Units", "Common Shares" and "Warrants" in this prospectus include the Over-Allotment Shares and Over-Allotment Warrants that comprise the Over-Allotment Securities. A purchaser who acquires Common Shares or Warrants forming part of the Underwriters' over-allocation position acquires such Common Shares or Warrants under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when Common Shares and Warrants are issued by Trimel and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of Trimel by Stikeman Elliott LLP and on behalf of the Underwriters by Torys LLP.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing is expected to take place on or about July 17, 2012, or such other date as may be agreed between the Company and the Underwriters, but in any event no later than July 19, 2012 (the "Closing Date"). Except as may be otherwise agreed by the Company and the Underwriters, the Offering will be conducted under the book-based system operated by CDS Clearing and Depository Services Inc. ("CDS"). A subscriber who purchases Units, other than a subscriber of Units in the United States or a U.S. person, will receive a customer confirmation from the registered dealer from or through whom the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Common Shares and Warrants on behalf of owners who have purchased Units in accordance with the book-based system. Other than Common Shares and Warrants sold in the United States or to U.S. persons, which will be represented by individual certificates, certificates evidencing the Common Shares and Warrants will not be issued unless specifically requested. The Common Shares and the Warrants will each trade separately. In connection with the Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares and Warrants in accordance with applicable market stabilization rules. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution". **After the Underwriters have made a reasonable effort to sell all of the Units offered under this prospectus at the Offering Price, the Underwriters may reduce the offering price or otherwise change the selling terms from time to time. Any such reduction will not affect the proceeds received by the Company. See "Plan of Distribution".**

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The following table sets forth the number of securities issuable to the Underwriters:

| Underwriters' Position | Maximum Number of Available Securities | Exercise Period | Exercise Price |
|---|---|---|---|
| Over-Allotment Option | 1,135,350 Over-Allotment Shares<br>567,675 Over-Allotment Warrants | at any time up to 30 days from the Closing Date | $1.69 per Over-Allotment Share<br>$0.12 per Over-Allotment Warrant |

The registered and head office of the Company is located at 2488 Dunwin Drive, Mississauga, Ontario L5L 1J9.

**Investors should rely only on the information contained in or incorporated by reference into this short form prospectus. The Company has not authorized anyone to provide investors with different information. Neither the Company nor the Underwriters are making an offer of these securities in any jurisdiction where the offer is not permitted. Investors should not assume that the information contained in this short form prospectus is accurate as of any date other than the date on the front of this short form prospectus. The Company's business, operating results, financial condition and prospects may have changed since that date.**

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## GENERAL MATTERS

In this short form prospectus, unless otherwise indicated or the context otherwise requires, the terms "Trimel", the "Company", "we", "us" and "our" are used to refer to Trimel Pharmaceuticals Corporation.

Unless otherwise indicated, all dollar amounts in this short form prospectus are expressed in Canadian dollars.

Any reference in this document to intellectual property rights held by the Company and related commercialization efforts are for convenience purposes only and in no way change or limit the rights held by Trimel SRL.

The address of Trimel's website is www.trimelpharmaceuticals.com. Information contained on Trimel's website is not part of this short form prospectus or incorporated by reference herein. Prospective investors should rely only on the information contained or incorporated by reference in this short form prospectus. Trimel has not authorized any person to provide different information.

The Units being offered for sale under this short form prospectus may only be sold in those jurisdictions in which offers and sales of the Units are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Units in any jurisdiction where it is unlawful. The information contained in this short form prospectus is accurate only as of the date of this short form prospectus, regardless of the time of delivery of this short form prospectus or of any sale of the Units.

## FORWARD-LOOKING STATEMENTS

This short form prospectus, including the documents incorporated by reference, contains forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") within the meaning of applicable securities laws. Statements concerning the Company's objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates, and the business, operations, financial performance and condition of the Company and its subsidiaries are forward-looking statements. The words "believe", "expect", "anticipate", "estimate", "intend", "may", "will", "would" and similar expressions and the negative of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are subject to important assumptions, including the following specific assumptions: general industry and economic conditions; changes in the Company's relationship with its suppliers; and pricing pressures and other competitive factors. The Company has also made certain macroeconomic and general industry assumptions in the preparation of such forward-looking statements. While the Company considers these factors and assumptions to be reasonable based on information currently available, there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Trimel business, or developments in the Company's industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Risks related to forward-looking statements include, among other things: the Company as a going concern; the Company's ability to meet future capital requirements; a limited market for the Company's common shares; the dilution of holders of the Company's common shares; the Company's limited operating history and no sales; the Company's dependence on key personnel; the Company's success in research and development; the Company's success in clinical testing; marketing and distribution risks including identifying appropriate licensing partners and concluding favorable transactions with them; manufacturing related risks; supplier risks; protection of the Company's intellectual property rights; the Company's ability to expand operations; the degree of market acceptance of the Company's products; the cost of products and third party reimbursement; competition against the Company; the purchase and maintenance of licensed patent rights; risk of third party claims for infringement; the Company's reliance on any licensors to maintain patent rights; the possible volatility of the public market and share price; the protection of the Company's trade secrets; rapid technological change; no regulatory approval; extensive government regulation of the industry or products; potential legal liability; the fluctuating and uncertain price of raw materials; the Company's obligations under indemnity arrangements; tax risks; the control of the Company by a principal shareholder; the Company's non-payment of dividends; the difficulty of enforcement against the Company's foreign-held assets; and the Company's ability to generate

ancillary revenue. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and the Company does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change except as required by applicable securities laws.

All of the forward-looking statements made in this short form prospectus are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with securities commissions or similar regulatory authorities in Canada are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- the annual information form of Trimel dated March 9, 2012;
- management's discussion and analysis of Trimel for the financial year ended December 31, 2011;
- the consolidated financial statements of Trimel and the notes thereto for the financial year ended December 31, 2011, together with the auditors' report thereon;
- the consolidated financial statements of Trimel BioPharma Holdings Inc. and the notes thereto for the financial year ended December 31, 2010, together with the auditors' report thereon, included in pages F-33 to F-64 of the Company's non-offering prospectus dated July 11, 2011;
- the information circular of Trimel dated May 7, 2012 distributed in connection with the annual meeting of shareholders of Trimel held on June 28, 2012;
- the unaudited interim condensed consolidated financial statements of Trimel for the three months ended March 31, 2012 and the notes thereto; and
- management's discussion and analysis of Trimel for the three months ended March 31, 2012.

Material change reports (other than confidential reports), business acquisition reports, interim financial statements and all other documents of the type referred to above and any other document of the type required by National Instrument 44-101 — *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, filed by Trimel with a securities commission or similar regulatory authority in Canada after the date of this short form prospectus and before completion or withdrawal of this Offering, will be deemed to be incorporated by reference into this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained in this short form prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this short form prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Copies of documents incorporated herein by reference may be obtained upon request without charge from the Corporate Secretary of Trimel at 2488 Dunwin Drive, Mississauga, Ontario L5L 1J9. These documents are also available through the Internet on SEDAR which can be accessed at www.sedar.com.

## THE COMPANY

Trimel is a specialty pharmaceutical company actively developing medications for male hypogonadism, female sexual dysfunction, and various respiratory disorders. The Company holds the development and marketing rights to a number of drug delivery technology platforms and is actively pursuing the development and application of these technologies to products that are currently in Phase II and Phase III clinical testing. These innovative technology platforms consist of a Bioadhesive Intranasal Gel Technology and the TriVair™ Deposition/Dispersion System, a unit dose dry powder inhaler and nasal dispersion system.

Trimel has worked towards optimizing and further developed drug delivery technology platforms that are intended to create products that are expected to be safer, more effective, easier to use and more practical than competitive products on the market. Additionally, Trimel products are being developed to more precisely target the delivery of medications, thereby avoiding "first-pass" negative effects and other common side-effects associated with existing marketed products.

Trimel's common shares are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "TRL". This listing became effective on July 19, 2011 following Trimel's graduation from the TSX Venture Exchange.

The registered and head office of the Company is located at 2488 Dunwin Drive, Mississauga, Ontario, L5L 1J9. The Company is the parent corporation to two wholly-owned subsidiaries. Trimel owns a 100% interest in Trimel BioPharma Holdings Inc. ("Trimel Holdings"), which was incorporated under the laws of the Barbados on September 9, 2008. Trimel Holdings in turn owns a 100% interest in Trimel Biopharma SRL ("Trimel SRL"), a society with restricted liability established under the laws of Barbados. Trimel SRL is the principal operating entity of the business of Trimel and is the owner or licensee, as applicable, of the intellectual property required for the conduct of Trimel's business.

## SUMMARY DESCRIPTION OF BUSINESS

### Trimel Products

Trimel owns or holds the development and marketing rights to two technology platforms, namely, (i) Bioadhesive Intranasal Gel Technology, and (ii) TriVair™ Pulmonary and Nasal Delivery Technology.

The Company's intent is to out-license drug candidates at a point in the development that will optimize the financial return to the Company. Different drug candidates will be out-licensed earlier in their development than others depending on a variety of factors including, among others, long term potential and size of the market of a drug candidate, the offers being made by potential partners, the amount of funds needed to advance the drug candidate and the number of other drug candidates being advanced by the Company at any given time. The Company has and will continue to identify and enter into discussions with potential partners, though at this time it is not at the letter of intent or later stage for an out-license or other strategic collaboration with respect to any drug candidate.

#### *Bioadhesive Intranasal Gel Technology*

Trimel holds an exclusive worldwide license (excluding Brazil and Russia) to a bioadhesive intranasal gel drug delivery technology platform in relation to three specific product development programs: (a) male testosterone replacement therapy, (b) female sexual dysfunction, and (c) dopamine therapy. This technology, when combined with a drug compound, results in a proprietary bioadhesive drug/gel combination designed to adhere to the interior wall of the nasal cavity. The gel acts as a controlling matrix, allowing for controlled release of pharmaceutical compounds through the nasal mucosa. The nasal mucosa offers an easily accessible route of administration providing high permeability combined with rapid absorption into the peripheral circulatory system, thereby avoiding both gastrointestinal and first-pass metabolic consequences.

Alongside the gel technology, the Company has invested significant time and resources into developing a multi-dose dispenser to deliver the drug/gel combination to the nasal cavity. The multi-dose dispenser provides the end user with the ability to target a specific nasal location (the anatomical "sweet spot"), thereby providing

for optimal absorption, and ensures consistent and precise delivery of each dose. The sealed construction of the dispenser also prevents air from coming in contact with the drug, thereby preventing contamination.

The three products that utilize the Bioadhesive Intranasal Gel Technology platform that Trimel has the rights to include:

CompleoTRT™ — Male Hypogonadism

Trimel's most advanced product candidate, CompleoTRT™, is a bioadhesive intranasal gel formulation of testosterone. CompleoTRT™ is designed to provide hypogonadal patients with superior safety and enhanced convenience over currently available treatment options. Hypogonadism is a biochemical syndrome characterized by a deficiency in serum testosterone levels that can be either acquired or inherited, and seriously affects the quality of life for those affected with the syndrome. Low testosterone is estimated to affect 13 million men in the United States, of whom an estimated 90% remain undiagnosed and untreated. According to IMS Health, sales of marketed treatments for low testosterone in North America grew 24% in 2011 versus 2010 to now exceed $1.6 billion in annual sales volume.

CompleoTRT™ is applied to the interior lateral wall of the nasal cavity, where internal testing demonstrates that the gel is fully absorbed into the nasal mucosa within 10-15 minutes. There is virtually no smell or taste associated with the gel. The gel contains only ingredients that are generally regarded as safe and does not include any skin penetration enhancers. It is expected that, as a result of the "no touch" targeted delivery to the nasal mucosa, CompleoTRT™ should avoid skin-to-skin transference to persons other than patients, a health risk that led the United States Food and Drug Administration ("FDA") to issue a "black-box" warning to physicians and patients in May 2009 for secondary transference for all marketed topical gel preparations. To date, the FDA has not asked Trimel to conduct any patient transference studies, supporting Trimel's expectation that CompleoTRT™ should not have a "black box" warning. Trimel believes that in addition to the avoidance of skin transference issues, enhanced patient compliance may be derived from the ease of application, the lack of any mess or odour from the gel, as well as the convenient dosing via Trimel's multi-dose nasal dispenser.

A pivotal Phase III trial for CompleoTRT™ was initiated in September 2011.Trimel announced on May 29, 2012 the completion of a preliminary review of early data from the Phase III clinical trial. The preliminary review of early data demonstrated that 79.9% of patients treated with CompleoTRT™ achieved an average serum testosterone ("AST") level within the normal range expected for a healthy male. These results exceed the threshold required by the FDA to confirm the efficacy of a testosterone replacement product. The preliminary data was obtained from 139 hypogonadal patients who had completed 30 days treatment and laboratory analysis. These patients will be dosed for an additional 60 days and then be reanalyzed after 90 days of treatment. Within the patient sample, 107 patients were treated with CompleoTRT™ on a twice-daily ("BID") dosing regimen, the balance on a three-time daily ("TID") regimen. After 30 days of CompleoTRT™ treatment, the BID and TID treatment groups, both independently and collectively, achieved a percentage of patients with AST levels that exceed the FDA efficacy threshold for a testosterone replacement product.

Prior to the initiation of the Phase III clinical trial, in a series of Phase II trials, CompleoTRT™ was dosed to more than 100 patients over several weeks of treatment representing over 3,500 total doses. Trimel believes that this series of studies demonstrated that CompleoTRT™ is safe and effective for the treatment of hypogonadal patients. The AST results from the Phase II trial exceeded the threshold required by the FDA to confirm efficacy of a testosterone replacement product. Total dose exposures to CompleoTRT™ are now well over 15,000, demonstrating favourable nasal tolerability and positive patient feedback.

While it is difficult to predict with any certainty the timelines or outcomes associated with clinical trials or an FDA review of a new drug application ("NDA"), the efficacy portion of the current Phase III CompleoTRT™ clinical trial is expected to be completed in the fourth quarter of 2012. The complete efficacy and safety data package will be included in the final study analysis and will be part of the NDA that the Company expects to file with the FDA at the end of 2012, if possible, or early 2013. The FDA's stated goal is to review and act on at least 90% of standard NDAs within 10 months. The timing of NDA approval may still take longer in the case of multiple review cycles, as the FDA reports first cycle approvals in only 38% of the NDAs filed from 2008 to 2011. Commercialization of the CompleoTRT™ product by a strategic marketing partner cannot proceed until successful completion of the clinical programs and the submission, review and approval of an NDA by the FDA.

Tefina™ — Female Orgasmic Disorder (Anorgasmia)

Trimel's product candidate Tefina™ is an intranasal low-dose gel formulation of testosterone. Tefina™ is being developed to offer women experiencing Female Orgasmic Disorder ("FOD"), or more commonly referred to as anorgasmia, a "use as required" treatment option. FOD is defined as the persistent or recurrent delay in, or absence of, orgasm following normal sexual excitement phase that causes marked personal distress or interpersonal difficulties.

The "use as required" treatment regimen for Tefina™ is expected to present an attractive safety profile with virtually no androgen-related side effects such as acne, facial and body hair growth or deepening of the voice. Moreover, there is no expected risk of skin-to-skin transfer of testosterone to third parties with the intra-nasal administration.

In a Phase I study conducted in 2010, the administration of Tefina™ resulted in an increase in mean serum testosterone levels which did not exceed the "upper limit of normal" for testosterone serum levels. Tefina™ was also shown to induce physiological and subjective sexual arousal within 30 minutes post-administration. This is the first known study to ever show an increase in genital responsiveness within 30 minutes post-drug (testosterone) administration. These clinical results were believed to be conclusive and pivotal in Trimel's decision to conduct a full Phase II clinical program.

The first Tefina™ Phase II trial in women experiencing FOD was studied in a hospital setting by employing the established Vibrotactile Stimulation ("VTS") anorgasmia research model. Women experiencing primary or secondary FOD were treated with a single dose of Tefina™ or a placebo and then challenged with a VTS device designed to induce orgasm at different time points post-dose. Patient reports, physiological measurements and clinically accepted patient questionnaires were used to measure the response.

Study analysis concluded that of the 58 women that participated in the study during the VTS treatment phase, four women who were administered Tefina™ experienced orgasms, while an additional eight patients treated with Tefina™ were also determined to have experienced orgasms based on a post-treatment assessment. Of the patients in the placebo arm, two patients reported experiencing orgasms during the VTS treatment phase; however, one patient seemed to have experienced an orgasm during the screening portion of the study, and should have been excluded from proceeding into the treatment phase. Patients treated with Tefina™ also showed a statistically significant improvement in VPA (a physiological measurement of blood flow in the vagina) versus placebo, and elevation of sexual arousal, as well as positive trends in terms of elevating sensuality and pleasurable genital sensation.

Trimel initiated a second Tefina™ Phase II trial in May 2012. The current study design has an expected enrolment of 240 patients in this Phase II study being conducted in the United States and Canada, with additional sites in Australia expected to join the study in the third quarter of 2012. The Tefina™ Phase II study design will involve pre-menopausal women experiencing secondary FOD and will be conducted as an ambulatory trial. As part of this double-blinded placebo-controlled study, patients will receive Tefina™ or placebo at home instead of in a hospital setting. The primary efficacy endpoint of the ambulatory trial will be the increase in the occurrence of orgasm over the treatment period compared against baseline levels.

While it is difficult to predict with any certainty the timelines or outcomes associated with clinical trials or an FDA review of an NDA, necessary Phase II and Phase III clinical trials of a similar size and complexity could take approximately two years in total to complete. The FDA's stated goal is to review and act on at least 90% of standard NDAs within 10 months. The timing of NDA approval timing may still take longer in the case of multiple review cycles, as the FDA reports first cycle approvals in only 38% of the NDAs filed from 2008 to 2011. Commercialization of Tefina™ to treat anorgasmia by a strategic marketing partner cannot proceed until successful completion of the clinical programs and the submission, review and approval of an NDA by the FDA.

TBS-3 — Parkinson's Disease

The Company's TBS-3 product candidate is an intranasal gel formulation of dopamine. TBS-3 is intended to treat hypomobility (difficulty controlling movement) associated with the advanced stages of Parkinson's disease and remains in a pre-clinical phase. TBS-3 is awaiting further development by the Company's technology

partner and the receipt of additional financial resources. TBS-3, when developed, may provide patients with rapid efficacy to relieve hypomobility episodes and the potential to reduce dopamine-related side effects.

TBS-3 has demonstrated efficacy in a preclinical study and Trimel is relying on its technology partner for formulation optimization before proceeding with further preclinical studies.

***TriVair™ Pulmonary and Nasal Delivery Technology***

In November 2009, Trimel acquired assets of Keldmann Healthcare A/S, which Trimel rebranded as TriVair™. TriVair™ was the 2009 European Drug Delivery Devices Product Differentiation Innovation of the Year award-winning single unit does dry powder inhalation drug delivery technology platform, with applications for both nasal and pulmonary dosing. TriVair™'s patented drug delivery technology should provide significant potential benefits to improve patient outcomes for certain major respiratory disorders.

Pulmonary delivery of medication is often achieved by way of two types of inhalers, metered dose inhalers ("MDIs") and dry powder inhalers ("DPIs"). MDIs, more commonly known as "puffers", are designed to release a premeasured amount of medication into the air. In general, MDIs have a chamber that holds the medication and a propellant that turns the medication into a fine mist. A patient is required to push a button to force the medication out through the mouthpiece. This requires coordination by the patient of his/her inhalation with the actuation of the device and can be very problematic for both children and the elderly. DPIs also are designed to release a finite amount of medication but without the use of a chemical propellant to push the medication out of the inhaler. Instead, the medication is released by the patient inhaling a deep, fast breath.

TriVair™, through in vitro cascade impactor studies, demonstrated that it may provide patients suffering from pulmonary diseases with up to 2.5 times greater drug deposition in the lung as compared to MDIs. Greater lung deposition of medications is expected to result in equal efficacy to currently marketed asthma medications with reduced drug load, which should result in improved safety. TriVair™ is also designed to provide patients and their caregivers with immediate visual feedback to ensure that the dose has been accurately administered. Its technology avoids the issues associated with inhalation and actuation timing and requires little more than a deep inhalation.

For the treatment of upper respiratory tract conditions, the act of simple exhalation into the TriVair™ dispenser will cause the soft palate to close, preventing the drug dose from being swallowed and depositing the medication into the nasal cavity at the site of action. Improving the delivery of medication to the nasal cavity will potentially reduce the side effects associated with such delivery mechanisms such as bad taste or smell, burning sensations in the throat and mouth as well as medication draining into the throat, with inadvertent delivery of medication into the throat and oral cavity. Moreover, since TriVair™ is a unit-dose dispenser, the risk of infection, a side effect that often occurs due to the intermittent or seasonal use of nasal products to treat allergies, is minimized.

There are three programs in the TriVair™ product portfolio that are at the formulation and/or clinical supply manufacturing stage.

Bronchospasm

TBS-7 is targeted to provide patients with quick relief from asthma symptoms using a unit-dose drypowder inhaler to deliver albuterol, a standard treatment in the prevention and treatment of asthma symptoms. The TriVair™ technology used by TBS-7 provides immediate visual feedback that the dose has been released and inhaled correctly. The Company believes that TBS-7 will be the only available bronchodilator available in the dry powder inhaler format in the United States. This product may benefit patients that have issues coordinating the timing of their inhalation with the actuation of medication from a puffer. Typical inhaled products are characterized by large dose levels of which a small fraction is delivered to the lung tissue. TBS-7 is anticipated to lower the overall systemic exposure of medication by delivery of a large drug percentage to the target tissue, allowing for equal efficacy to currently marketed albuterol products with reduced drug load and safety risks.

Trimel received approval from the FDA for the TBS-7 investigational new drug application ("IND") in January 2011. The Company has manufactured clinical supplies and is ready to move into Phase II clinical trials. Further progression of this product has been delayed pending additional funding.

While it is difficult to predict with any certainty the timelines or outcomes associated with clinical trials or an FDA review of an NDA, Phase II and Phase III clinical trials of a similar size and complexity could take approximately 18 to 24 months to complete. The FDA's stated goal is to review and act on at least 90% of standard NDAs within 10 months. The timing of NDA approval may still take longer in the case of multiple review cycles, as the FDA reports first cycle approvals in only 38% of the NDAs filed from 2008 to 2011. Commercialization of the TriVair™ product to treat bronchospasm by a strategic marketing partner cannot proceed until successful completion of the clinical programs and the submission, review and approval of an NDA by the FDA.

The Company may initiate discussions with potential partners for the commercialization of TBS-7 while a Phase II clinical trial is ongoing or may elect to engage in partnering discussions for this product upon the completion of the Phase II clinical program.

Asthma — Maintenance Therapy

TBS-5 is in formulation development. It is intended to provide asthma patients with improved delivery of an underutilized inhaled corticosteroid for the long-term treatment of airway inflammation caused by asthma. The Company is working to create an optimal formulation with further development work pending the receipt of additional financial resources.

Allergic Rhinitis

TBS-6 is in early stage exploratory development. It is intended to provide patients suffering from seasonal and perennial allergic rhinitis with leading nasally delivered corticosteroids. Current treatments result in side effects due to the delivery of the active ingredient by a nasal spray pump. Use of the TriVair™ to deliver TBS-6 may provide a superior outcome for the patient by achieving targeted delivery of the medication by causing the soft palate to close when exhaling into the TriVair™ dispenser.

**Business Strategy**

The Company is currently focusing its development efforts on creating new best-in-class versions of existing pharmaceutical compounds in large therapeutic categories such as male hypogonadism, female sexual dysfunction, and respiratory disorders.

The Company continuously develops global regulatory strategies for many of its product candidates entering full development programs, focusing on standards defined by government regulations of the territories where it intends to market its products. Its regulatory strategy typically integrates the technical criteria developed under the International Conference on Harmonisation's internationally recognized requirements for quality, safety and efficacy in order to support successful and timely approvals of new therapeutic products and their placing on the worldwide market. The goal of this strategy is to enable the Company to file applications for marketing authorization in key market regions, particularly in the United States and the European Union. These strategies also include pre-approval and post-licensing activities relating to marketing authorization and compliance auditing as well as safety and pharmacovigilance. The Company's regulatory strategy is designed to obtain marketing authorization for its products expeditiously. Since Trimel is dealing with known and approved substances, the Company believes that the likelihood of approval for its products is greater than comparable new chemical entities.

The Company leverages the strengths of its management and developmental capacity in applying its technologies to a broad selection of pharmaceutical compounds. Once products have reached a meaningful stage of development, it is the Company's current intent to out-license these products to strategic partners for commercialization, thereby enabling Trimel to leverage the strengths and scale of its commercial partners' sales and marketing infrastructure. Currently, it is anticipated that the potential attractiveness and value of CompleoTRT™ to a commercial partner may increase as the Phase III clinical trial nears completion or is completed successfully, but Trimel intends to be opportunistic in determining the time of entering into an out-license or strategic transaction.

The Company intends to maintain control over the manufacturing process for its products. By maintaining manufacturing rights, the Company expects to retain control over its intellectual property and know-how, its relationship with the FDA as well as its relationship with licensees. As a result of maintaining such control, the Company expects to receive standard pharmaceutical profit margins from product sales to its licensees.

However, there can be no assurance that Trimel will be able to achieve its business strategies or objectives as it presently contemplates or at all.

## LEGAL PROCEEDINGS

Trimel has rights to a bioadhesive intranasal gel drug delivery technology platform under license from a European based technology partner. These rights are subject to an Intellectual Property Rights and Product Development Agreement (the "IP Agreement") between Trimel's subsidiary Trimel SRL and M&P Patent AG ("M&P"). Under the terms of this Agreement, M&P is obligated to perform certain pre-clinical and other developmental work, and Trimel is obligated to provide certain developmental work and advance products through associated clinical programs if and/or as appropriate. In certain circumstances, M&P is entitled to various milestone payments under the terms of the Agreement.

On March 24, 2011, Trimel SRL commenced an arbitration proceeding in accordance with to the terms of the IP Agreement with respect to the timing of a milestone payment due on the Successful Completion of a Phase II Study for the TRT Product, in the net amount of about $2.80 million. On June 6, 2011, the parties resolved the arbitration and Trimel SRL agreed to pay a portion of the milestone that was in dispute and in exchange it received the right to file additional patent applications relating to the Products licensed from M&P.

With respect to Tefina™, and in accordance with the terms of the IP Agreement, M&P is entitled to a milestone payment totaling $2.25 million upon Successful Completion (as defined in the IP Agreement) of Phase II clinical development for the product. In October 2011, M&P asserted that the development status of Tefina™ had met the definition of Successful Completion and that the $2.25 million was owing. As Trimel did not have all of the data and information required to enter Phase III clinical trials with this program (as required by the definition of Successful Completion), and as the Company believes M&P had not met various associated performance obligations with respect to the preclinical and dispenser development of this product that were required before the Phase III clinical program could be commenced. Trimel commenced arbitration proceedings against M&P in Lugano Switzerland in accordance with the dispute mechanism embodied in the IP Agreement for a determination that the milestone payment was not currently due. In January 2012, M&P responded to the Company's notice of arbitration by requesting the Arbitration Panel that the arbitration be dismissed with costs. In February 2012, M&P sent a purported notice of termination of Trimel's rights to Tefina™ under the IP Agreement for failure to pay the milestone, notwithstanding the ongoing arbitration. The Company believes, based on Swiss counsel's advice, that M&P's notice of termination has no basis and is without validity given the contract establishes arbitration as the defined path for all disputes related to the IP Agreement. Further, the Company believes that resolution of this matter if it was not decided in Trimel's favour, would be limited to an Arbitration Panel imposed monetary payment.

## USE OF PROCEEDS

The estimated net proceeds to be received by Trimel from the Offering (assuming no exercise of the Over-Allotment Option) will be $11,937,505 (determined after deducting the Underwriters' Fee (being $794,745) and estimated expenses of the Offering (being $513,500)). If the Over-Allotment Option is exercised in full, the estimated net proceeds received by the Company from the Offering will be $13,805,156 (determined after deducting the Underwriters' Fee (being $913,957) and estimated expenses of the Offering (being $513,500)).

Trimel intends to use the net proceeds from the Offering to fund capital, operating and product development expenditures as follows:

| Use of Proceeds | $ |
|---|---|
| CompleoTRT™ Clinical Trial and NDA Costs | $ 6,000,000 |
| Tefina™ Clinical Trial Costs | $ 5,800,000 |
| General Corporate Purposes | $ 137,505 |
| **Total** | $11,937,505 |

The Company believes the Offering proceeds will permit it to complete the on-going Phase III clinical trial for CompleoTRT™ described above under "Trimel Products", and will permit it to prepare the necessary NDA for submission to the FDA. Costs to complete the CompleoTRT™ Phase III clinical trial and to prepare the NDA are estimated to be $6.0 million. The Company intends to use $5.8 million toward the completion of the on-going Phase II clinical trial described above for Tefina™ under "Trimel Products". The Company will not be in a position to estimate costs associated with completing clinical trial programs for Tefina™ until it has completed the ongoing Phase II clinical trial and met with the FDA to determine what additional clinical trials must be completed to support a NDA for this product. The balance of the proceeds from the Offering are expected to be used for general corporate purposes.

During the period for January 1, 2011 to March 31, 2012, the Company's negative cash flow from operations was approximately $1.6 million per month. Over the balance of 2012 (between March 31 and December 31, 2012), the average monthly negative cash flow from operations rate is estimated to be in the range of $2.0 million to $2.5 million. The monthly cash flow fluctuation will primarily be impacted by the number of patients enrolled in the Company's on-going clinical trials related to CompleoTRT™ and Tefina™.

As of March 31, 2012, the Company had positive working capital of $4.8 million and during the past three years the Company has incurred total losses of $52.3 million. The ability of the Company to continue as a going concern for the foreseeable future is dependent on it raising sufficient funds or obtaining an alternative source of financing. While the Company has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future.

Although the Company intends to use the funds from the Offering as set out in the above table, the actual allocation of the net proceeds may vary from those set out above, depending on operating and capital needs and the progress of all research and development programs from time to time.

The Company is in discussions, and an initial non-binding proposal has been signed, with a financial institution for a senior secured term loan facility of up to $7.5 million. The proposal is subject to a number of conditions, including a minimum equity financing by the Company (which includes this Offering). Under the terms of the proposal, the term of the facility would be for three years and would be secured by a first-priority security interest in all of the present and after-acquired assets of the Company and its subsidiaries. The currently contemplated proposal would involve the issuance of common share purchase warrants at an exercise price calculated with reference to the volume weighted trading price of the Company's common shares for the five trading days immediately preceding the closing date for such facility. The Company will only enter into such credit facility on terms which are satisfactory to it and there can be no assurances that it will proceed with such financing or that it will be on favourable terms.

## PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have agreed to purchase, as underwriters, on the Closing Date, which is expected to be on or about July 17, 2012, or such other date as may be agreed upon by the Company and the Underwriters, 7,569,000 Units at the Offering Price, payable in cash to the Company against delivery of the Common Shares and Warrants comprising the Units, subject to compliance with all necessary legal requirements and to the conditions contained in the Underwriting Agreement. The Units will separate into Common Shares and Warrants immediately upon closing. The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at

their discretion upon the occurrence of certain stated events as set out in the Underwriting Agreement. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement. After the Underwriters have made a reasonable effort to sell all of the Units offered under this prospectus at the Offering Price, the Underwriters may reduce the offering price or otherwise change the selling terms from time to time. Any such reduction will not affect the proceeds received by the Company.

The Company has also granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriters at any time and from time to time until the date which is 30 days following the Closing Date, to purchase up to 1,135,350 Over-Allotment Shares at a price of $1.69 per Over-Allotment Share and up to 567,675 Over-Allotment Warrants at a price of $0.12 per Over-Allotment Warrant, or a combination thereof, to cover overallotments, if any, and for market stabilization purposes. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Securities upon exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters' Fee, the net proceeds to Trimel (before deducting expenses of the Offering), will be $15,232,612, $913,957 and $14,318,656, respectively.

The Offering Price was determined by negotiation between the Company and the Underwriters.

**There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this short form prospectus. This may affect the pricing of the Warrants, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation**. The Company has agreed to use its best efforts to list the Warrants on the TSX. Listing of the Warrants will be subject to the Company fulfilling all of the listing requirements of the TSX, including distribution of the Warrants to a minimum number of public shareholders. There can be no assurance that the Warrants will be listed.

The Company has agreed to indemnify the Underwriters, and certain related parties, insofar as any expenses, losses, claims, actions, damages or liabilities arise out of, result from, are based upon, or arise directly or indirectly from the performance of the professional services rendered to the Company by the Underwriters pursuant to the Underwriting Agreement, provided however that the Company shall not be required to indemnify any such person for any losses, claims, liabilities or expenses which have resulted primarily from the gross negligence or willful misconduct of the Underwriters (as determined by a court of competent jurisdiction in a final non-appealable judgment).

The Company has agreed that it will not, without the prior written consent of the Underwriters, such consent not to be unreasonably withheld, during the period commencing on the date of the Underwriting Agreement and ending 90 days following the Closing Date, (i) offer, pledge, sell, contract to sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer, lend or dispose of directly or indirectly, common shares of the Company or any securities convertible into or exercisable or exchangeable for common shares of the Company, or (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of common shares of the Company or such other securities, other than (a) the Common Shares, Warrants and Warrant Shares, (b) issuances of common shares of the Company in connection with the exercise of obligations outstanding as of June 29, 2012 or the exercise of warrants referred to in clause (d), (c) issuances under any of the Company's incentive plans existing as of June 29, 2012, (d) issuances of warrants to purchase up to an aggregate of 150,000 common shares of the Company in connection with a loan facility negotiated at arm's length with unrelated parties, or (e) issuances of securities as consideration in connection with bona fide arm's-length acquisitions by the Company.

Additionally, Mr. Eugene Melnyk, the majority shareholder of the Company, has agreed with the Underwriters that without their consent, such consent not to be unreasonably withheld, he will not, whether for his own account or for the account of another, and will cause any spouse, immediate family member or immediate family member of his spouse living in his household, or any trust of which any of the foregoing individuals are beneficiaries, to not in any manner, during the period commencing on the date of the Underwriting Agreement and ending 60 days following the date of the (final) short form prospectus, (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any

option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any common shares of the Company, or any securities convertible into or exercisable or exchangeable for common shares of the Company, or (ii) enter into any swap or other agreement that transfers in whole or in part, any of the economic consequences of ownership of the common shares of the Company, in each case other than: (A) transfers of common shares of the Company as a bona fide gift or gifts, (B) distributions of common shares of the Company in private transactions pursuant to exemptions from the prospectus requirements of Canadian securities laws, (C) pledges of any common shares of the Company existing on the date of the Underwriting Agreement, (D) transfers of common shares of the Company pursuant to a third party take-over bid made to all shareholders of the Company or similar acquisition transaction; or (E) a pledge of any or all of the common shares of the Company as security for a debt of Mr. Melnyk or an entity owned or controlled by Mr. Melnyk.

The directors, the members of the advisory board and the executive officers of the Company have each agreed with the Underwriters that without the Underwriters' consent, such consent not to be unreasonably withheld, he or she will not, whether for his or her own account or for the account of another, and will cause any spouse, immediate family member or immediate family member of the spouse living in the same household, or any trust of which any of the foregoing individuals are beneficiaries, to not in any manner, for a period commencing on the date of the Underwriting Agreement and ending 60 days following the Closing Date: (i) offer, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any common shares of the Company or any securities convertible into or exercisable or exchangeable for common shares of the Company; or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common shares of the Company, in each case other than (A) transfers of common shares of the Company as a bona fide gift or gifts, or (B) transfers of common shares of the Company pursuant to a third party take-over bid made to all shareholders of the Company or a similar acquisition transaction.

Pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters' Fee in consideration for the services rendered in connection with the Offering. The Company has also agreed to reimburse the Underwriters for certain expenses, including legal and certain out-of-pocket expenses incurred in connection with the Offering. The Underwriters will not receive any other fee or commission from the Company in connection with the completion of the Offering.

Pursuant to policy statements of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase common shares of the Company or Warrants. The policy statements allow certain exceptions to the foregoing prohibitions. The Underwriters may only avail themselves of such exceptions on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the common shares of the Company or Warrants. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada, relating to market stabilization and passive market making activities, a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution and a bid or purchase to cover a short position entered into prior to the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

Subscriptions for the Units will be received, subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice.

Except as may be otherwise agreed by the Company and the Underwriters, the Offering will be conducted under the book-based system operated by CDS. A subscriber who purchases Units, other than a subscriber of Units in the United States or a U.S. person, will receive a customer confirmation from the registered dealer from or through whom the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Common Shares and Warrants on behalf of owners who have purchased Units in accordance with the book-based system. Other than Common Shares and Warrants sold in the

United States or to U.S. persons, which will be represented by individual certificates, certificates evidencing the Common Shares and Warrants will not be issued unless specifically requested.

The Common Shares, Warrants and Warrant Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state, and the Units may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act); except that the Underwriters may, through certain of their qualified U.S. broker-dealer affiliates, sell Units to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in transactions that comply with the exemption from registration provided by Rule 144A and may offer Units and the Company may sell Units to certain accredited investors as substituted purchasers in transactions that comply with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506 of Regulation D thereunder.

This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Units in the United States or to, or for the account or benefit of, U.S. persons. The Underwriters have agreed that, except in certain transactions exempt from the registration requirements of the U.S. Securities Act, they will not offer or sell within the United States or to, or for the account or benefit of, U.S. persons, the Units as part of their distribution. The Underwriters have further agreed that all other offers and sales of the Units will be made in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

The Warrants will not be exercisable in the United States or by or on behalf of a U.S. person unless an exemption from the registration requirements under the U.S. Securities Act and any applicable state securities law is available, and the Company has received a certificate from the holder of such Warrants, in the prescribed form set out in the Warrant Indenture (as defined below), to such effect; provided however, that a qualified institutional buyer or an accredited investor that was the original purchaser of Units in the offering in the United States will not be required to deliver any such certificate in connection with the exercise of Warrants that were part of those Units at a time when it remains a qualified institutional buyer or an accredited investor, as the case may be.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States by any dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption under the U.S. Securities Act.

Certificates representing any securities which are sold in the United States or to or for the account or benefit of a U.S. person will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act and may only be transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, before and after completion of the Offering. This table should be read in conjunction with the consolidated unaudited interim financial statements of the Company (including the notes thereto) incorporated by reference in this short form prospectus.

| | As at March 31, 2012 | As at March 31, 2012 after giving effect to the Offering[1] |
|---|---|---|
| | (unaudited) | (unaudited) |
| Common Shares . . . . . | 83,131,781 | 91,836,131 |
| (Authorized: unlimited) | | |
| Warrants | 8,041,873 | 12,394,048 |
| Stock Options | 4,671,222 | 4,671,222 |
| Long-Term Debt | U.S.$35,353 | U.S.$35,353 |
| Total Shareholder's Equity | U.S.$12,039,216 | U.S.$26,414,404 |

(1) Assumes full exercise of the Over-Allotment Option.

## DESCRIPTION OF SECURITIES BEING DISTRIBUTED

### Common Shares

The holders of common shares of the Company are entitled to receive notice of any meeting of shareholders of Trimel and to attend and vote thereat, except those meetings at which only the holders of shares of another class or of a particular series are entitled to vote. Each common share of the Company entitles its holder to one vote. Subject to the rights of the holders of preferred shares (of which there are none outstanding), the holders of common shares of the Company are entitled to receive on a pro-rata basis such dividends as the board of Trimel may declare out of funds legally available therefor. In the event of the dissolution, liquidation, winding-up or other distribution of the assets of Trimel, such holders are entitled to receive on a pro-rata basis all of the assets of Trimel remaining after payment of all of Trimel's liabilities, subject to the rights of holders of preferred shares (of which there are none outstanding). The common shares of the Company carry no pre-emptive rights, conversion rights or redemption rights.

### Warrants

The Warrants will be created and issued pursuant to the terms of a warrant indenture (the "Warrant Indenture") to be dated as of the closing date between the Company and Equity Financial Trust Company, as warrant agent thereunder (the "Warrant Agent"). The Company will appoint the principal transfer office of the Warrant Agent in Toronto, Ontario as the location at which Warrants may be surrendered for exercise or transfer.

The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture.

Each Warrant will entitle the holder thereof to purchase one Warrant Share at a price of $2.50 at any time before 5:00 p.m. (Toronto time) on the date which is 30 months after the Closing Date, after which time the Warrants will expire and be void and of no value. The Warrant Indenture will contain provisions designed to protect the holders of Warrants against dilution upon the happening of certain events. No fractional Warrant Shares will be issued upon the exercise of Warrants.

The Warrants are transferable by the holder. **However, there is currently no market through which the Warrants may be sold and purchasers may not be able to resell Warrants. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See "Risk Factors". Trimel has applied to list the Warrants on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX, including distribution of the Warrants to a minimum number of public securityholders. There can be no assurance that the Warrants will be listed.**

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

(i) the issuance of common shares of the Company or securities exchangeable for or convertible into common shares of the Company to all or substantially all of the holders of the common shares of the Company as a stock dividend or other distribution (other than a "Dividend Paid in the Ordinary Course", as defined in the Warrant Indenture, or a distribution of Common Shares upon the exercise of the Warrants);

(ii) the subdivision, redivision or change of the common shares of the Company into a greater number of shares;

(iii) the reduction, combination or consolidation of the common shares of the Company into a lesser number of shares;

(iv) the issuance to all or substantially all of the holders of the common shares of the Company of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase common shares of the

Company, or securities exchangeable for or convertible into common shares of the Company, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "Current Market Price", as defined in the Warrant Indenture, for the common shares of the Company on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of the common shares of the Company of shares of any class other than the common shares, rights, options or warrants to acquire common shares of the Company or securities exchangeable or convertible into the common shares, or evidences of indebtedness or cash, securities or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (1) reclassifications of the common shares of the Company; (2) consolidations, amalgamations, plans of arrangement or mergers of the Company with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the common shares of the Company or a change of the common shares of the Company into other shares); or (3) the transfer (other than to one of the Company's subsidiaries) of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the number of Warrant Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the number of Warrant Shares purchasable upon exercise of one Warrant by at least one one-hundredth of a Warrant Share.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days before the record date or effective date, as the case may be, of such event.

No fractional Warrant Shares will be issuable upon the exercise of Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of common shares of the Company would have.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which is defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants (which has been duly convened and held in accordance with the Warrant Intenture) by the affirmative vote of holders of Warrants representing not less than two-thirds of the aggregate number of then outstanding Warrants represented at the meeting and voted on such resolution or (2) adopted by an instrument in writing signed by the holders of Warrants representing not less than two-thirds of the aggregate number of then outstanding Warrants.

## PRIOR SALES

The following disclosure relates to common shares of the Company and securities that are convertible into such common shares issued or granted during the twelve-month period prior to the date of this short form prospectus.

| Security | Date of Issue/Grant | Price per Security[1] | Number of Securities[2] |
|---|---|---|---|
| Trimel common shares | July 14, 2011<br>July 14, 2011<br>July 14, 2011 | Such common shares were issued in connection with the Company's reverse take-over transaction involving J5 Acquisition Corp. | 52,283,000<br>1,668,636<br>13,798,609 |
| Trimel stock options | July 14, 2011<br>July 14, 2011<br>July 17, 2011<br>July 17, 2011<br>August 3, 2011<br>October 13, 2011<br>March 12, 2012 | US$2.20<br>US$1.467<br>US$4.00<br>US$2.20<br>$1.50<br>$1.45<br>$3.30 | 125,000<br>95,427<br>605,750<br>390,930<br>325,000<br>75,000<br>898,880 |
| Trimel warrants | July 14, 2011 | US$3.50 | 7,582,998 |

(1) In the case of Trimel stock options and warrants, the price per security represents the exercise price for such stock options or warrants, as applicable.

(2) In the case of Trimel stock options and warrants, the number of securities represents the Trimel common shares underlying such stock options or warrants, as applicable.

## MARKET FOR SECURITIES

The Company's common shares are listed on the TSX under the trading symbol "TRL". The following table sets forth information relating to the trading of the Company's common shares on the TSX for the months indicated.

| Month | High ($) | Low ($) | Volume |
|---|---|---|---|
| June 1 - 28, 2012 | 3.48 | 1.60 | 1,022,927 |
| May 2012 | 4.12 | 2.69 | 517,300 |
| April 2012 | 5.11 | 3.20 | 908,400 |
| March 2012 | 3.59 | 2.91 | 1,173,600 |
| February 2012 | 3.84 | 1.70 | 1,806,600 |
| January 2012 | 1.79 | 1.55 | 350,300 |
| December 2011 | 1.86 | 1.39 | 336,000 |
| November 2011 | 1.99 | 1.44 | 397,500 |
| October 2011 | 1.60 | 1.08 | 4,455,600 |
| September 2011 | 1.35 | 1.06 | 4,489,800 |
| August 2011 | 1.60 | 1.10 | 1,618,728 |
| July 19 - 31, 2011 | 2.90 | 1.25 | 4,905,782 |

## RISK FACTORS

Investment in the Units involves a high degree of risk and should be regarded as speculative due to the nature of the business and because product candidates are still in the research and development phase. Trimel has incurred losses and expects to incur further losses in the foreseeable future. In addition to other information contained in this short form prospectus, the following factors should be considered carefully by investors when evaluating an investment. For a full discussion of the risk factors applicable to Trimel, see Trimel's Annual Information Form dated March 9, 2012 which is incorporated by reference into this short form prospectus.

***Going Concern Risk***

The ability of the Company to continue as a going concern is dependent upon the Company's ability to secure additional financing in order to continue product development activities, implement its business plan and ultimately bring products to market. As of March 31, 2012, the Company had positive working capital of U.S.$4.8 million and during the past three years the Company has incurred total losses of U.S.$52.3 million. The ability of the Company to continue as a going concern for the foreseeable future is dependent on raising sufficient funds or obtaining an alternative source of financing. While the Company has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future.

Since inception, the Company has not had any operating revenue, and it has experienced negative operating cash flow. Absent any outlicensing of the Company's products or other commercial transactions, the Company anticipates continuing to experience negative cash flow for the next two years.

***Ability to Meet Future Capital Requirements***

The development of the business of the Company may depend upon the amount of additional financing available. Failure to obtain sufficient financing may result in delaying, scaling back, eliminating or indefinitely postponing the development of additional products and the business of the Company's current or future operations, or may result in the Company being required to relinquish rights to or sell certain of its products that it would otherwise not relinquish or sell. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be acceptable. Loans may be obtained from Canadian financial institutions or the public debt markets. There is no assurance that the business of the Company will generate sufficient cash flow from operations in the future to service any debt and to make necessary capital expenditures, in which case the Company may seek additional financing or dispose of certain assets. If the Company raises capital through debt, there could be covenants or other restrictions affecting the Company's ability to carry on its business. If the Company raises capital through equity, it could dilute existing shareholders' ownership in the Company.

Future capital requirements will depend on many factors including, without limitation:

- progress in the application of delivery and formulation technologies, which may require further refinement;
- the number of product development programs pursued and the pace at which each such program is pursued;
- the scope, rate of progress, results and costs of pre-clinical and clinical trials;
- the time and costs associated with seeking regulatory approvals;
- the ability to establish out-licensing or other strategic arrangements with third parties and the terms of any such arrangements;
- the ability to meet milestones under any collaborative arrangements;
- the time and expense required to prosecute, enforce and/or challenge patent and other intellectual property rights;
- the cost of possible acquisitions of drug delivery technologies, compounds, product rights or companies;
- competing technological and market developments;
- costs for recruiting and retaining employees and consultants; and

- unexpected legal, accounting and other costs and liabilities related to the business of the Company.

***Limited Operating History and Sales***

The Company is at an early stage of development of its technologies and product candidates. It has not completed the development of any products and, accordingly, has not begun to market or generate revenues from the commercialization of its products. The Company's products will require significant additional clinical testing and investment prior to commercialization. A commitment of substantial resources by the Company to conduct time-consuming research and clinical trials will be required if it is to complete the development of its product candidates. There can be no assurance that any of the Company's product candidates will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs or be successfully marketed. The majority of the Company's product candidates are not expected to be commercially available for several years, if at all.

***Clinical Testing***

The Company has incurred substantial expense for, and devoted a significant amount of time to, pre-clinical testing and clinical trials. The commencement and rate of completion of clinical trials may be delayed by many factors including, without limitation:

- inability to recruit clinical trial participants at the expected rate;
- failure of clinical trials to demonstrate a product candidate's safety or efficacy;
- inability to follow patients adequately after treatment;
- unforeseen safety issues;
- inability to manufacture sufficient quantities of materials used for clinical trials; and
- unforeseen governmental or regulatory delays.

The quality and robustness of the results and data of any clinical trial the Company conducts will depend upon the selection of a patient population for clinical testing. If the selected population is not representative of the intended population, further clinical testing of product candidates or termination of research and development activities related to the selected product may be required. The Company's ability to commence clinical testing or the choice of clinical development path could compromise business prospects and prevent the achievement of revenue.

Clinical trials of each of the Company's product candidates are expected to involve a drug delivery technology platform and a related drug. This makes testing more challenging as the outcome of the trials will depend on the performance of the delivery technology in combination with the drug in question.

The Company depends on independent clinical investigators, contract research organizations and other third-party service providers to conduct clinical trials for its product candidates. Though the Company relies heavily on such parties for the successful execution of clinical trials and is ultimately responsible for their activities, many aspects of such activities are beyond the control of the Company. Third parties may not complete activities on schedule or may not conduct clinical trials in accordance with regulatory requirements or stated protocols.

***Trimel has not Received Regulatory Approval for any Product that uses any of its Drug Delivery Technologies***

The Company must receive regulatory approval of a product candidate before it can be commercialized. The development required to take a technology from its earliest stages to its incorporation in a product that is sold commercially can take many years and cost a substantial amount of money. The Company's drug delivery technologies can be quite complex, with many different components. Any particular technology may not perform in the same manner when used with different therapeutic agents and, therefore, these technologies may not prove to be as useful or valuable as originally thought, resulting in additional development work. Delays or unanticipated increases in costs of development at any stage, or failure to solve a technical challenge, could adversely affect the Company's operating results.

The development and manufacturing of any product candidate developed independently or in collaboration with third parties, as well as the distribution, marketing and record keeping of such product candidate, are regulated by numerous federal, state, provincial and local governmental authorities, principally the FDA in the United States, and other similar agencies in other countries. The approval procedures in the United States vary depending on such factors as the novelty of the drug and its intended use and also vary among countries. The development and regulatory approval process in each jurisdiction takes many years, requires the expenditure of substantial resources, is uncertain and subject to delays. In addition, approval by a regulatory authority of one country does not ensure the approval by regulatory authorities of other countries. Many factors could delay the Company's receipt of revenues from the commercialization of its product candidates. Failure to obtain regulatory approval, any delay or setback in obtaining regulatory approval or limitation on drug use required as a condition of approval could: adversely affect the Company's ability to market any drugs developed independently or with partners; affect the Company's ability to negotiate partnership agreements; impose additional costs and diminish any competitive advantages that the Company may attain; or adversely affect the Company's ability to generate product sales and/or royalties based on these sales. The Company plans to submit NDAs to market certain of its eligible products in the United States under Section 505(b)(2) of the United States Federal Food, Drug, and Cosmetic Act. Section 505(b)(2) permits the Company to rely for approval on studies that the Company has not conducted and for which the Company has no ownership interest. It is possible that the FDA will not concur with the submission for market approval under the provisions of Section 505(b)(2), which would require the Company to generate additional data in support of an NDA which will involve significant additional expense and delay. Even a submission under the provisions of Section 505(b)(2) will require the Company to submit data from its own clinical studies to demonstrate both safety and efficacy of its products. There is no assurance that the FDA will agree that the data the Company submits will meet FDA requirements.

***Marketing and Distribution Risk***

The Company does not intend to market, sell or distribute its products through its own organization. The Company currently does not have licensing arrangements to market, sell or distribute its products. The Company has decided to collaborate with third parties that have direct sales forces and established distribution systems, either to augment, or in lieu of, its own sales force and distribution systems. To the extent that the Company enters into co-promotion or other licensing arrangements, its product revenue is likely to be lower than if the Company directly marketed or sold its products. In addition, any revenue received will depend in whole or in part upon the efforts of such third parties, which may not be successful and will generally not be within the Company's control. If the Company is unable to enter into such arrangements on acceptable terms or at all, it may not be able to successfully commercialize its existing products and future product candidates. If the Company is not successful in commercializing its existing products and future product candidates, either on its own or through collaborations with one or more parties, future product revenue will suffer and the Company may incur significant losses.

***Manufacturing-Related Risk***

The Company has relied and will continue to rely on having its own properly validated, fully functioning, and sufficiently sized manufacturing operations to support its manufacturing needs. If the Company is not able to scale-up manufacturing operations to meet the drug quantities required to support large clinical trials or commercial manufacturing in a timely manner or at a reasonable cost, the Company may risk delaying its clinical trials or regulatory approvals and potentially breaching its obligations under future out-licensing agreements or other commercialization arrangements. Similarly, should systems fail, or a disaster strike, the ability to produce products would be negatively affected, which in turn, would also adversely affect the Company's business.

While the Company has backup manufacturing capacity for its testosterone based bioadhesive intranasal products with a third party manufacturer in Germany, were such facilities to become unavailable for any reason, finding substitute facilities that are properly qualified to handle controlled substances may prove difficult and/or result in a significant delay in manufacturing product. Similarly, finding initial backup facilities that are appropriately qualified for its remaining products may also be problematic.

Pharmaceutical manufacturing involves significant risks and uncertainties related to the demonstration of adequate stability, sufficient purification of drug products, the identification and elimination of impurities, optimal formulations, process validation and challenges in controlling for all of these factors.

***Extensive Government Regulation***

Government regulation is a significant factor in the production and marketing of the Company's products. Research and development, testing, manufacture, marketing and sales of pharmaceutical products or related products are subject to extensive regulatory oversight, often in multiple jurisdictions, which may cause significant additional costs and/or delays in bringing products to market, and in turn, may cause significant losses to investors. The regulations applicable to the Company's product candidates may change. Even if granted, regulatory approvals may include significant limitations on the uses for which products can be marketed. Failure to comply with applicable regulatory requirements can, among other things, result in warning letters, the imposition of civil penalties or other monetary payments, delay in approving or refusal to approve a product candidate, suspension or withdrawal of regulatory approval, product recall or seizure, operating restrictions, interruptions of clinical trials or manufacturing, injunctions or criminal prosecution. In addition, regulatory agencies many not approve the labeling claims that are necessary or desirable for the successful commercialization of the Company's product candidates.

Requirements for regulatory approval vary widely from country to country. Whether or not approved in the United States, regulatory authorities in other countries must approve a product prior to the commencement of marketing the product in those countries. The time required to obtain any such approval may be longer or shorter than in the United States.

Approved drugs, as well as their manufacturers, are subject to continuing and ongoing review, and discovery of problems with these products or the failure to adhere to manufacturing or quality control requirements may result in regulatory restrictions being imposed.

In particular, testosterone, the active ingredient in both the Company's product candidate CompleoTRT™ for treatment of male hypogonadism and Tefina™ for the treatment of female anorgasmia, is a controlled substance subject to regulatory controls. The Company may be unable to obtain regulatory approvals for its products or may be required to expend additional resources or there may be significant delays to secure such approvals on favorable terms.

***Licensed Patent Rights***

The Company has obtained patent licences and plans to obtain licenses to products, technologies, and other patents. The Company may be required to pay license fees or royalties or both to obtain such licenses which would have an adverse impact on the Company's revenues, and there is no guarantee that such licenses will be available on acceptable terms, if at all. Even if the Company is able to successfully obtain a license, the rights may be non-exclusive, which may give access to the Company's competitors to the same intellectual property it may have rights to, which could prevent the Company from commercializing a product. If licenses are terminated, Trimel would lose the right to use licensed technologies with the result that Trimel may have to stop developing product candidates or stop selling products. The Company is currently in arbitration with M&P over a potential termination of the Company's rights to Tefina™ under the IP Agreement and while the Company believes that M&P's has no basis for seeking to terminate such rights, there can be no assurances that M&P will not be successful in having such rights terminated. See "Legal Proceedings".

***Uncertainty of Intellectual Property Protection***

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal and factual questions that include unresolved principles and issues. Patent applications owned or licensed by the Company may not be approved or approved as desired. Inconsistent policies regarding the breadth of claims allowed in such companies' patents has emerged to date in Canada and the United States, and the patent situation outside Canada and the United States is even more uncertain. As a result, the Company's scope of intellectual property rights may not successfully prevent third parties from developing similar or competitive products. Changes in either intellectual property laws or in interpretations of intellectual property laws in Canada, the United States or other countries may diminish the value of the Company's intellectual property rights. Therefore, the Company cannot predict with any certainty the scope of its intellectual property rights, including its patent claims that may be allowed or enforceable in its patents or in-licensed patents.

***Risks Related to M&P Arbitration***

Trimel is currently in arbitration with M&P, the licensor of its bioadhesive intranasal gel drug delivery technology platform pursuant to the IP Agreement. Trimel commenced the current arbitration proceedings against M&P claiming that, given M&P's failure to perform certain pre-clinical and other developmental work as required by agreement, the triggering event for a milestone payment of U.S.$2.25 million had not occurred and such payment was not due. Subsequent to Trimel initiating arbitration proceedings, M&P sent a notice of termination of Trimel's rights to Tefina™ for failure to make a milestone payment. If the Company is not successful in the arbitration it could be required to make an immediate payment of the U.S.$2.25 million milestone and interest to M&P and may also have to pay the costs of the arbitration. Further, while the Company believes the notice of termination is without any basis or merit given that the IP Agreement establishes arbitration as the defined path for contract disputes, there can be no assurances that M&P will not be successful in having the rights to the Tefina™ product under the IP Agreement terminated.

***Cost of Products***

The Company's ability to successfully market its products and product candidates, if regulatory approval is obtained, depends, in part, on whether appropriate reimbursement levels for the cost of the products and related treatments are obtained from payors such as government authorities, private health insurers and other organizations such as Health Maintenance Organizations, or HMOs, and Managed Care Organizations, or MCOs. Payors increasingly challenge the pricing of pharmaceutical products. Such challenges could affect the Company's commercial partners' ability to sell its products and may have a material adverse effect on its business, results of operations and financial condition. Uncertainty exists about the reimbursement status of newly approved pharmaceutical products. Reimbursement or co-pay levels in the United States and other countries may not be available for some of the Company's products. Any reimbursement granted may not be maintained or limits on reimbursement available from third-party payers may reduce demand for, or negatively affect the price of, those products. These issues could have a material adverse effect on the Company's business, results of operations and financial condition. The Company is unable to predict if additional legislation or regulation impacting the healthcare industry or third-party coverage and reimbursement may be enacted in the future, or what effect such legislation or regulation would have on the Company's business. The Company relies solely on its marketing or strategic partners to work with payors to obtain reimbursement codes and to obtain pricing approvals in the relevant jurisdictions.

***Third-Party Reimbursement***

The ability of the Company to successfully commercialize its products and product candidates depends in part on whether appropriate reimbursement levels for the cost of the products and related treatments are obtained from third party payors or government authorities. Third-party payors often challenge the price and cost-effectiveness of medical products and services. The Company's products and product candidates may not be reimbursable by third-party payors, or may not be considered cost-effective and not adequately reimbursed at price levels to maintain profitability. Legislation and regulations affecting the pricing of pharmaceuticals may change before the Company's products are commercialized, and any such changes could further limit reimbursement.

***Market Acceptance***

The degree of market acceptance of the Company's products will depend on a number of factors, including: efficacy of the Company's products and any competitive products; the prices of the Company's products and any competitive products; any side effects of the Company's products and any competitive products. Even if any of the Company's products are initially accepted by the market, sales may thereafter decline for a number of reasons, including the introduction of a generic competing product. The Company and its partners may need to demonstrate a significant advantage over such generic compounds in order to support product pricing. Healthcare professionals and patients may not accept the Company's products once commercialized. In order to successfully commercialize the Company's products, it will be necessary to demonstrate to healthcare professionals and patients that such products afford benefits to patients that are cost-effective as compared to the benefits of alternative therapies, many of which may be more established than those of the Company. The

degree of market acceptance of the Company's product candidates, if commercialized, will depend on a number of factors including, without limitation:

- the receipt of regulatory clearance of labelling claims for the uses being developed;
- the establishment and demonstration in the medical community of the safety and efficacy of the Company's product candidates and their potential advantages over existing products;
- the timing of market entry relative to competitive treatments;
- the relative cost, convenience, product dependability and ease of administration;
- the sufficiency of coverage and reimbursement of product candidates by governmental and other third-party payors; and
- any product labelling or insert restrictions required by the FDA or regulatory authorities in other countries.

***Lack of Public Market for the Warrants***

There is currently no public market for the Warrants. There can be no assurance as to the liquidity of any trading market for the Warrants or that a trading market for the Warrants will develop.

***Discretion in the Use of the Net Proceeds from the Offering***

Trimel currently intends to allocate the net proceeds we will receive from this offering as described above under "Use of Proceeds". However, management will have discretion in the actual application of the net proceeds, and may elect to allocate proceeds differently from that described in "Use of Proceeds" if management believes it would be in Trimel's best interests to do so. The failure by management to apply these funds effectively could have a material adverse effect on its business.

***Limited Market for Trimel Common Shares***

The fact that a large block of Trimel common shares are held by one shareholder may affect the volatility and liquidity of Trimel common shares because there is a limited number of shares available for trading by persons other than Mr. Eugene Melnyk. The value of Trimel common shares could be significantly affected by certain actions taken by Mr. Melnyk.

***Dilution of Holders of Trimel Common Shares***

The Company will likely issue additional equity securities to raise funds, thus reducing the ownership share of existing holders of Trimel common shares. Dilution may similarly be experienced by the grant of additional stock options pursuant to the 2011 stock option plan of the Company.

***Controlling Shareholder***

As of the date hereof, Mr. Melnyk owns an aggregate of 53,478,965 Trimel common shares, representing approximately 64.3% of the current issued and outstanding Trimel common shares. Consequently, Mr. Melnyk is, and may continue to be, in a position to block the outcome of certain corporate actions requiring shareholder approval, including: electing a majority of the directors of the Company, adopting amendments to the constating documents (other than an amendment to the by-laws of the Company to remove the requirement that a majority of the directors be independent of both the Company and Mr. Melnyk, which amendment must be approved by a majority of the minority shareholders) and approving a merger, consolidation, liquidation, or sale of all or substantially all of the assets of the Company. Mr. Melnyk may have interests that differ from other Trimel shareholders. Mr. Melnyk could decide to sell his Trimel common shares, subject to applicable securities laws and the terms of the 60 day lock-up agreement that he is signing in connection with this Offering. See "Plan of Distribution". The Company will not have any control over any decision that Mr. Melnyk may make in the future regarding his continued ownership of Trimel common shares. Sales of substantial amounts of Trimel common

shares, or the perception that these sales could occur, could adversely affect the market price of Trimel common shares.

***Public Market; Possible Volatility of Share Price***

No assurance can be given regarding the liquidity of any public market for Trimel common shares. The market prices for securities of drug delivery, biotechnology and pharmaceutical companies have historically been highly volatile. The market price of Trimel common shares can be subject to wide fluctuations in response to variations in operating results, the Company's ability to execute its business plan, competition and other events or factors. Trading prices of the Trimel common shares may be influenced by many factors, including, without limitation:

- investor perception of the Company;
- market conditions relating to the Company's segment of the pharmaceutical industry or the securities markets in general;
- research analyst recommendations and the Company's ability to meet or exceed performance expectations of analysts or investors;
- failure of any of the Company's third party collaborators to successfully market and successfully commercialize any of the Company's product candidates;
- adverse results or delays in any clinical or non-clinical trials;
- announcements of FDA or other governmental authority approval or non-approval of products in the Company's product pipeline;
- the results of pre-clinical testing and clinical studies or trials by competitors to the Company;
- changes in government regulations or patent decisions; and
- general market conditions.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to Trimel, and Torys LLP, counsel to the Underwriters, the following is a general summary of the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) ("Tax Act") generally applicable to an investment in Common Shares (including Warrant Shares) and Warrants (collectively, the "Securities") pursuant to this Offering by a person who meets the conditions set out herein and who is not excluded from the ambit of this summary. This summary is based on the facts set out in this short form prospectus, the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations publicly announced by the Government of Canada prior to the date hereof (the "Proposed Amendments"), and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("CRA"). This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not otherwise take into account any changes in law, whether by legislative, governmental or judicial action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations. The summary assumes that any Proposed Amendments will be enacted as proposed, although there can be no assurance that the Proposed Amendments will be enacted in their current form or at all.

This summary applies only to an investor who acquires Securities pursuant to this Offering and who, for the purposes of the Tax Act and at all relevant times, (i) is resident or deemed to be resident in Canada, (ii) will hold such Securities as capital property, (iii) deals at arm's length with the Company and the Underwriters, and (iv) is not affiliated with the Company or any of the Underwriters. Investors who meet all of the foregoing requirements are referred to as "Investor" or "Investors" in this summary and this summary only addresses such Investors.

Generally, the Securities will be considered capital property to an Investor provided such Investor does not hold such Securities in the course of carrying on a business and has not acquired them in one or more

transactions considered to be an adventure or concern in the nature of trade. Certain persons to whom Common Shares might not constitute capital property may, in certain circumstances, make an irrevocable election permitted by subsection 39(4) of the Tax Act to have the Common Shares, and all other "Canadian securities" as defined in the Tax Act, held by such persons in the taxation year of the election and in all subsequent years deemed to be capital property. This election does not apply to Warrants. Investors should consult their own tax advisors regarding this election.

In addition, this summary does not extend to Investors that are "financial institutions" for purposes of the mark-to-market property rules or "specified financial institutions", Investors that have elected to report their "Canadian tax results" in a currency other than Canadian currency, or to any Investor an interest in which would be a "tax shelter investment" (all as defined for the purposes of the Tax Act). All such investors should consult their own tax advisors for advice.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. This summary is not exhaustive of all Canadian federal income tax considerations applicable to a prospective investor acquiring Securities pursuant to the Offering. Accordingly, all prospective investors (including Investors as defined above) are urged to consult their own tax advisors with respect to their particular circumstances.**

**Allocation of Purchase Price**

The purchase price of each Unit offered hereby must be allocated, on a reasonable basis, between the underlying Common Share and the underlying one-half of one Warrant in order to determine their respective cost to the Investor. The adjusted cost base to an Investor of a Common Share acquired pursuant to the Offering will be determined by averaging the cost of that Common Share with the adjusted cost base (determined immediately before the acquisition of the Common Share) of all other Common Shares held by the Investor as capital property immediately before the acquisition. For its purposes, the Company intends to allocate $1.69 of the Offering Price as consideration for the issue of each Common Share and $0.06 of the Offering Price as consideration for the issue of one-half of one Warrant. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or an Investor, and counsel express no opinion with respect to such allocation.

**Exercise of Warrants**

An Investor will not realize a gain or a loss on the exercise of a Warrant. When a Warrant is exercised, the Investor's cost of the Common Share acquired thereby will be the aggregate of the Investor's adjusted cost base of the Warrant and the exercise price paid on the exercise of the Warrant. This amount must generally be averaged with the adjusted cost base of all other Common Shares held by the Investor as capital property immediately before such exercise to determine the adjusted cost base of all Common Shares held by an Investor at that time.

**Expiry of Warrants**

The expiry of an unexercised Warrant will generally result in a capital loss to the Investor equal to the adjusted cost base of the Warrant immediately prior to the expiry. The tax treatment of capital losses is described in greater detail below under "Treatment of Capital Gains and Capital Losses".

**Disposition of Common Shares or Warrants**

A disposition or a deemed disposition by an Investor of a Common Share other than to the Company, or of a Warrant (other than on the exercise thereof), will give rise to a capital gain (or a capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the Common Share or Warrant, as the case may be, net of any reasonable costs of disposition, exceed (or are less than, respectively) the Investor's adjusted cost base of the Common Share or Warrant, as the case may be. The tax treatment of capital gains and capital losses is described in greater detail below under "Treatment of Capital Gains and Capital Losses".

**Treatment of Capital Gains and Capital Losses**

In the taxation year of disposition, an Investor generally will be required to include one-half of the amount of any capital gain (a taxable capital gain) in computing its income for such taxation year, and must deduct one-half of the amount of any capital loss (an allowable capital loss) against any taxable capital gains realized by the Investor in such taxation year. Any excess of allowable capital losses over taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

A "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional 6⅔% tax (refundable in certain circumstances) on certain investment income, including taxable capital gains.

The amount of any capital loss realized on the disposition or deemed disposition of a Common Share by an Investor that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such Common Share to the extent and in the circumstances prescribed by the Tax Act. Similar rules may apply where an Investor that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, and where Common Shares are owned by a partnership or trust of which a partnership or trust is a member or beneficiary. Investors to whom these rules may be relevant should consult their own tax advisors.

**Dividends**

Dividends received or deemed to have been received by an Investor on Common Shares (including Warrant Shares), if any, must be included in computing the Investor's income. In the case of an Investor who is an individual, such dividends will generally be subject to the gross-up and dividend tax credit rules applicable to dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit provisions if the Company provides notice to the recipient designating the dividend as an "eligible dividend". There may be limitations on the ability of the Company to designate dividends as "eligible dividends", and the Company has not committed itself to making such designation. An Investor that is a corporation will include dividends received or deemed to be received in computing its income in the taxation year of receipt and will generally be entitled to deduct the amount of such dividends in computing the corporation's taxable income, subject to all of the restrictions applicable under the Tax Act.

An Investor that is a "private corporation" or a "subject corporation", as defined in the Tax Act, will also generally be liable to pay a tax (refundable in certain circumstances) at the rate of 33⅓% on dividends received (or deemed to have been received) on Common Shares to the extent such dividends are deductible in computing its taxable income.

**Minimum Tax**

Capital gains realized and dividends received by an Investor who is an individual (including certain trusts), may give rise to minimum tax under the Tax Act. Investors should consult their own tax advisors with respect to the application of minimum tax.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Trimel are PricewaterhouseCoopers LLP, Chartered Accountants. The transfer agent and registrar for the Common Shares is Equity Financial Trust Company.

## LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon by Stikeman Elliott LLP on behalf of Trimel and by Torys LLP on behalf of the Underwriters. As at the date hereof, the partners and associates of Stikeman Elliott LLP, as a group, and the partners and associates of Torys LLP, as a group, each beneficially own, directly or indirectly, less than one percent of the outstanding common shares of Trimel.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to Trimel, and Torys LLP, counsel to the Underwriters, as of the date hereof and based on the current provisions of the Tax Act, provided that the Common Shares are listed on a designated stock exchange (which currently includes the TSX), the Common Shares and Warrant Shares, if issued on the date hereof, would be qualified investments for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a deferred profit sharing plan, a registered education savings plan, a tax-free savings account ("TFSA"), or a registered disability savings plan (collectively, "Registered Plans"). Provided that the Warrants are listed on a designated stock exchange (which currently includes the TSX), the Warrants, if issued on the date hereof, would be qualified investments on the date hereof for Registered Plans.

Notwithstanding the foregoing, a holder of a TFSA or annuitant of a RRSP or RRIF, as applicable, will be subject to a penalty tax in respect of Common Shares, Warrant Shares, or Warrants held in the TFSA, RRSP or RRIF, as applicable, if such Securities are "prohibited investments" under the Tax Act for such Registered Plan. The Common Shares, Warrant Shares and Warrants generally will not be "prohibited investments" unless the holder or annuitant, as the case may be, does not deal at arm's length with Trimel for purposes of the Tax Act, or the holder or annuitant, as applicable, has a "significant interest" for purposes of the prohibited investment rules in the Tax Act.

**Prospective purchasers who intend to hold Common Shares, Warrant Shares or Warrants in a TFSA, RRSP or RRIF should consult their own tax advisors regarding their particular circumstances.**

## PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

## AUDITORS' CONSENT

The Board of Directors of Trimel Pharmaceuticals Corporation.

We have read the short form prospectus dated ● , 2012, relating to the qualification for distribution of Units, consisting of one common share and one-half of one common share purchase warrant of Trimel Pharmaceuticals Corporation (the "Company"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of the Company on the consolidated financial statements of the Company, which comprise the consolidated statement of financial position as at December 31, 2011, the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the year ended December 31, 2011, and the related notes, which comprise a summary of significant accounting policies and other explanatory information. Our report is dated March 8, 2012.

Chartered Accountants

● , 2012

Toronto, Canada

## AUDITORS' CONSENT

The Board of Directors of Trimel Pharmaceuticals Corporation.

We have read the short form prospectus dated ● , 2012, relating to the qualification for distribution of Units, consisting of one common share and one-half of one common share purchase warrant of Trimel Pharmaceuticals Corporation (the "Company"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of Trimel BioPharma Holdings Inc. on the consolidated financial statements of Trimel BioPharma Holdings Inc., which comprise the consolidated balance sheets as at December 31, 2010, the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. Our report is dated March 14, 2011.

Chartered Accountants

● , 2012

Belleville, St. Michael, Barbados

## AUDITORS' CONSENT

The Board of Directors of Trimel Pharmaceuticals Corporation.

We have read the short form prospectus dated ● , 2012, relating to the qualification for distribution of Units, consisting of one common share and one-half of one common share purchase warrant of Trimel Pharmaceuticals Corporation (the "Company"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of Trimel BioPharma Holdings Inc. on the consolidated financial statements of the Trimel BioPharma Holdings Inc., which comprise the consolidated balance sheets as at December 31, 2010, the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. Our report is dated March 14, 2011.

Chartered Accountants

● , 2012

Toronto, Canada

## CERTIFICATE OF THE COMPANY

Dated: June 29, 2012

This amended and restated short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated short form prospectus as required by the securities legislation of each of the provinces of Canada, except Québec.

(Signed) BRUCE D. BRYDON
Chairman and Chief Executive Officer

(Signed) KENNETH HOWLING
Chief Financial Officer

On Behalf of the Board of Directors

(Signed) ROLF REININGHAUS
Director

(Signed) JEFFREY SHERMAN
Director

## CERTIFICATE OF THE UNDERWRITER

Dated: June 29, 2012

To the best of our knowledge, information and belief, this amended and restated short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated short form prospectus as required by the securities legislation of each of the provinces of Canada, except Québec.

**RBC DOMINION SECURITIES INC.**

By: (Signed) STEWART C. BURTON

**GMP SECURITIES L.P.**

By: (Signed) STEVE OTTAWAY

TRIMEL
PHARMACEUTICALS

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