

**ALTERNATIVE MONTHLY REPORT FILED PURSUANT TO PART 4 OF NATIONAL  
INSTRUMENT 62-103**

**State if this report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.**

Not applicable.

**Item 1 - Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Common Shares ("**Shares**") of:

Pivot Pharmaceuticals Inc. (the "**Issuer**")  
1275 West 6th Avenue  
Suite 300  
Vancouver, British Columbia  
V6H 1A6

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The dispositions of Shares described in section 2.2 below occurred on the Canadian Securities Exchange.

**Item 2 - Identity of the Eligible Institutional Investor**

**2.1 State the name and address of the eligible institutional investor.**

Anson Funds Management LP and Anson Advisors Inc. (together, "**Anson**") as co-managers of the Anson Investments Master Fund LP ("**AIMF**") and Anson Catalyst Master Fund LP ("**ACMF**") (each a "**Fund**" and collectively the "**Funds**").

Anson Funds Management LP  
5950 Berkshire Lane  
Suite 210  
Dallas, Texas 75225

Anson Advisors Inc.  
155 University Ave.  
Suite 207  
Toronto, Ontario, M5H 3B7

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

As disclosed in the Alternative Monthly Report filed on November 8, 2018 by Anson, on behalf of the Funds, as of October 31, 2018, each Fund held or beneficially owned (i) an

irrevocable call option entitling it to acquire 1,000,000 outstanding Shares held by a shareholder at an adjusted exercise price of C\$0.60 per Share at any time until March 2, 2021, if exercised (the **"Call Options"**); (ii) 1,875,000 warrants exercisable for 1,875,000 Shares at an exercise price of C\$0.60 per Share exercisable until October 22, 2021, if exercised (the **"Warrants"**); (iii) convertible debentures in the aggregate principal amount of C\$1,750,000 maturing on March 2, 2019, entitling each holder to acquire approximately 4,166,667 Shares at an adjusted conversion price of C\$0.42 per Share, if converted (the **"Convertible Debentures"**); and (iv) 1,875,000 Shares, 1,436,781 of which Shares are pledged as collateral pursuant to the securities lending arrangement described in Item 3.6 below, for a total of approximately 8,916,667 Shares then representing approximately 9.3% of the issued and outstanding Shares or approximately 8.3% of the Shares on a partially diluted basis (assuming the conversion and exercise of all Convertible Debentures and Warrants held by each Fund). As of October 31, 2018, on a combined basis, the Funds collectively held or beneficially owned (w) Call Options entitling them to acquire 2,000,000 outstanding Shares, if exercised, (x) Warrants entitling them to purchase 3,750,000 Shares, if exercised; (y) Convertible Debentures in the principal amount of C\$3,500,000 entitling them to acquire approximately 8,333,333 Shares, if converted; and (z) 3,750,000 Shares, 2,873,562 of which Shares are pledged as collateral pursuant to the securities lending arrangement described in Item 3.6 below, then representing a total of 17,833,333 Shares representing approximately 18.6% of the issued and outstanding Shares or approximately 16.5% on a partially diluted basis (assuming the conversion and exercise of all Convertible Debentures and Warrants held by the Funds).

In the period between November 1, 2018 and March 31, 2019, the Funds disposed of Shares from time to time such that as of March 31, 2019, AIMF and ACMF held or beneficially owned 1,205,934 and 1,205,909 Shares, respectively. Additionally, on the March 2, 2019 maturity date for the Convertible Debentures, the Issuer settled \$375,000 of the principal amount of the Convertible Debentures held by each Fund (the **"Settlement Amount"**), in cash, and extended the maturity of the remaining portion of the Convertible Debentures for a further 90 days without interest. As a result of the Settlement Amount, as of March 31, 2019, the Convertible Debentures held by each Fund represented approximately 3,273,810 Shares, if converted.

**2.3 State the name of any joint actors.**

Not applicable.

**2.4 State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.**

Anson is eligible to file reports under Part 4 of NI 62-103 in respect of the securities of the Issuer.

### **Item 3 - Interest in Securities of the Reporting Issuer**

#### **3.1 State the designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor's securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.**

The last report filed by Anson, on behalf of the Funds, in respect of the Shares held by the Funds was filed on November 8, 2018. Since that report was filed, there was a net decrease in the Shares held by the Funds from 17,833,333 to 14,709,463, and a corresponding decrease in the Funds' securityholding percentage of approximately 3.27%.

#### **3.2 State the designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities at the end of the month for which the report is made.**

As of March 31, 2019, individually, each Fund held or beneficially owned (i) a Call Option entitling the holder to acquire 1,000,000 outstanding Shares, if exercised; (ii) Warrants entitling the holder to purchase 1,875,000 Shares, if exercised, (iii) Convertible Debentures in the principal amount of C\$1,375,000, entitling the holder to acquire approximately 3,273,810 Shares, if converted, and (iv) 1,205,934 Shares (in the case of AIMF) and 1,205,909 Shares (in the case of ACMF), for a total of approximately 7,354,744 Shares (in the case of AIMF) and 7,354,719 Shares (in the case of ACMF), representing approximately 7.29% of the issued and outstanding Shares or approximately 6.61% of the Shares on a partially diluted basis (assuming the conversion and exercise of all Convertible Debentures and Warrants held by each Fund).

As of March 31, 2019, on a combined basis, the Funds collectively held or beneficially owned (i) Call Options entitling them to acquire 2,000,000 outstanding Shares, if exercised, (ii) Warrants entitling them to purchase 3,750,000 Shares, if exercised, (iii) Convertible Debentures in the principal amount of C\$2,750,000 entitling them to acquire approximately 6,547,620 Shares, if converted, and (iv) 2,411,843 Shares, for a total of 14,709,463 Shares representing approximately 14.6% of the issued and outstanding Shares or approximately 13.2% on a partially diluted basis (assuming the conversion and exercise of all Convertible Debentures and Warrants held by the Funds).

The foregoing securityholding percentages assume that there were 100,899,678 Shares issued and outstanding (based on the Issuer's Management Information Circular dated February 15, 2019, disclosing 96,899,678 Shares issued and outstanding, followed by the completion of a private placement, described in the Issuer's press release dated March 7, 2019, disclosing that an additional 4,000,000 Shares were issued thereunder, and no subsequent public disclosure amending the number of issued and outstanding Shares), or 111,197,298 Shares on a partially diluted basis (assuming the conversion and exercise of all Convertible Debentures and Warrants held by the Funds).

#### **3.3 If the transaction involved a securities lending arrangement, state that fact.**

The Funds are each party to a securities lending arrangement. See Item 3.6 below

**3.4 State the designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which**

- (a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,**

As at March 31, 2019, Anson, on behalf of the Funds, held or had ownership and control over, and the Funds held or beneficially owned, 14,709,463 Shares representing approximately 14.6% of the issued and outstanding Shares or approximately 13.2% on a partially diluted basis (assuming the conversion and exercise of all Convertible Debentures and Warrants held by the Funds). The foregoing assumes that there were 100,899,678 Shares issued and outstanding (based on the Issuer's Management Information Circular dated February 15, 2019, disclosing 96,899,678 Shares issued and outstanding, followed by the completion of a private placement, described in the Issuer's press release dated March 7, 2019, disclosing that an additional 4,000,000 Shares were issued thereunder, and no subsequent public disclosure amending the number of issued and outstanding Shares), or 111,197,298 Shares on a partially diluted basis (assuming the conversion and exercise of all Convertible Debentures and Warrants held by the Funds).

- (b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor, and**

Not applicable.

- (c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor's securityholdings.**

Not applicable.

**3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Each Fund is party to a separate Amended and Restated Securities Loan Agreement dated October 22, 2018 (each the "**Securities Loan**" and, collectively, the "**Securities Loans**") (which amended and restated prior securities loan agreements dated February

28, 2018 entered into by each Fund), pursuant to which each Fund borrowed 1,436,781 Shares (the “**Loaned Securities**”). The material terms of the Securities Loans are identical. The Securities Loans mature on October 22, 2019, unless earlier terminated by the borrower or the lender. The Loaned Securities and the Funds’ respective obligations under the Securities Loans are secured in favour of the lender by a number of Shares of the Issuer equal to the number of Shares borrowed by each Fund (the “**Collateral**”). The lender under the Securities Loans retains beneficial ownership of, and all voting rights, distribution rights, options and conversion privileges attaching to, the Loaned Securities, and each Fund retains the corresponding rights over the Collateral.

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

The Securities Loans are not subject to the exception provided in section 5.7 of NI 62-104, except with respect to an aggregate of 208,864 Shares borrowed under the Securities Loans by the Funds.

- 3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor’s economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 - Purpose of the Transaction**

**State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the issuer;**

The number of Shares that the Funds are entitled to upon conversion of the Convertible Debentures was reduced as a result of the Settlement Amount.

Anson reviews its Funds’ investments on a continuous basis. From time to time, the Funds may acquire or dispose of securities of, or other financial instruments related to, the Issuer, or engage in hedging, short sales or similar transactions with respect to securities of or related to the Issuer, depending upon a number of factors, including but not limited to general market and economic conditions and other available investment opportunities.

- (b) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

Not applicable.

- (c) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;

Not applicable.

- (d) a material change in the present capitalization or dividend policy of the reporting issuer;

Not applicable.

- (e) a material change in the reporting issuer's business or corporate structure;

Not applicable.

- (f) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;

Not applicable.

- (g) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;

Not applicable.

- (h) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;

Not applicable.

- (i) a solicitation of proxies from securityholders;

Not applicable.

- (j) an action similar to any of those enumerated above.

Not applicable.

#### **Item 5 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

See Items 2.2 and 3.6 above

**Item 6 - Change in Material Fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

**Item 7 - Certification**

I, as the eligible institutional investor, certify, or I, as the agent filing this report on behalf of the eligible institutional investor, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated this 9<sup>th</sup> day of April, 2019.

**ANSON FUNDS MANAGEMENT LP**, by its  
general partner, **ANSON MANAGEMENT  
GP, LLC**

By: *(signed) Bruce Winson*

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Name: Bruce Winson

Title: Managing Member

**ANSON ADVISORS INC.**

By: *(signed) Amin Nathoo*

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Name: Amin Nathoo

Title: Director