

ARCH BIOPARTNERS INC.

Re: Material Change Report **Form 51-102F3**

1. Name and Address of Company:

Arch Biopartners Inc., (the “Company”)

545 King Street West
Toronto, Ontario
M5V 1M1

Mailing:

27 St. Clair Ave East
P.O. Box 305
Toronto, Ontario
M4T 2M5

2. Date of Material Change:

August 10, 2017

3. News Release:

A news release was distributed via NASDAQ Marketwired in Toronto on August 10, 2017. A copy of the News release is attached as Schedule “A”.

4. Summary of Material Change

The Company closed a private placement of common shares.

5. Full Description of Material Change

The Company announced the closing of a non-brokered private placement. The Company issued 310,000 Units at a price of \$0.50 per Unit, for net total proceeds of \$155,000. The common shares will be subject to a hold period of 4 months plus one day from the closing date.

The Company now has 55,159,679 common shares outstanding.

Management of the Company believes the material changes described herein will have a positive impact on the Company’s cash position, business operations and prospects for future corporate activity.

6. Reliance on subsection 7.1(2) or (3) of NI51-102

Not applicable.

7. Omitted Information

No information has been omitted from this report on the basis that it is confidential information.

8. Executive Officer

For further information regarding this report, please contact Richard Muruvé, a Director and CEO of the Company, at 647-428-7031.

The foregoing accurately discloses the material changes referred to herein.

DATED at Toronto, this 10th day of August, 2017.

**SCHEDULE A
PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION
August 10, 2017**

**ARCH BIOPARTNERS CLOSURES NON-BROKERED PRIVATE
PLACEMENT FINANCING**

Toronto, Canada - Arch Biopartners Inc., (Arch or the Company) (TSX Venture: ARCH and OTCBB: ACHFF), announced today it has closed the non-brokered private placement the Company announced in a press release July 24, 2017 (The "Offering"). Pursuant to the Offering, Arch issued 310,000 Units priced at \$0.50 per Unit (the "Units") for gross proceeds of \$155,000. Each Unit consists of one common share of the Company and one common share purchase warrant (the "Warrant"). Each Warrant entitles the holder thereof to acquire one common share of the Company at an exercise price of \$0.50 per common share for a period of 24 months from the closing date of the Offering. All securities issued in connection with the Offering are subject to a hold period of four months and one day from the closing date.

An Independent Director of the Company participated as an insider in the Offering. The issuance of Units to the insider is considered a related party transaction within the meaning of Multilateral Instrument 61-101 ("**MI 61-101**"). The Company is relying on the exemptions from the requirements of MI 61-101 in respect of any Insider Participation.

The Company will use the proceeds to increase working capital and cover current expenses as it prepares for first-in-human trials for AB569. AB569 is the Company's drug candidate for treating drug resistant bacterial infections in the lung.

The Offering is subject to certain conditions including, but not limited to, the receipt of applicable regulatory approvals, including Final Approval of the TSXV. Finder's fees paid in connection of the Offering totalled \$5,000 plus 10,000 broker warrants with the same terms as the Warrants.

There is no material fact or material change about the Company that has not been generally disclosed.

About Arch Biopartners

Arch Biopartners Inc. is focused on the development of innovative technologies that have the potential to make a significant medical or commercial impact. Arch works closely with the scientific community, universities and research institutions to advance and build the value of select preclinical technologies, develop the most promising intellectual property, and create value for its investors.

Arch has established a diverse portfolio that includes AB569, a potential new treatment for antibiotic resistant bacterial infections; Metablok, a potential treatment for inflammation, sepsis and cancer metastasis; MetaMx, which targets elusive brain tumor initiating cells; and, 'Borg' peptide coatings that increase corrosion resistance and decrease biofilm on various medical grade metals and plastics.

For more information on Arch Biopartners, its technologies and other public documents Arch has filed on SEDAR , please visit www.archbiopartners.com

The Company has 55,159,679 common shares outstanding.

For more information, please contact:

Richard Muruve
Chief Executive Officer
Arch Biopartners, Inc.
647-428-7031
info@archbiopartners.com

Forward-Looking Statements

All statements, other than statements of historical fact, in this news release are forward looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of the Company. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.