

# 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:**

Feb 2, 2018

### **3. News Release:**

A news release was distributed via NASDAQ Marketwired in Toronto on January 26, 2018. 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 it arranged a non-brokered private placement offering of up to 2,500,000 common shares priced at \$0.50 per common share (the “Common Shares”) for gross proceeds of up to \$1,250,000 (the “Offering”).

The Offering is expected to close in two equal tranches. The first tranche closed on February 2, 2018 with the second tranche expected to close on March 10, 2018 respectively. The Offering is subject to certain conditions including, but not limited to, the receipt of applicable regulatory approvals, including approval of the TSX Venture Exchange as well as the satisfaction of other customary closing conditions.

All Common Shares issued in connection with the Offering will be subject to a hold period of four months and one day from the closing date.

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

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 5th day of February, 2018.**

## **SCHEDULE A**

### **PRESS RELEASE FOR IMMEDIATE DISTRIBUTION January 26, 2018**

#### **ARCH BIOPARTNERS ANNOUNCES NON BROKERED PRIVATE PLACEMENT FINANCING**

Toronto, Canada - Arch Biopartners Inc., (Arch or the Company) (TSX Venture: ARCH and OTCBB: ACHFF) a portfolio based biotechnology company, intends to complete a non-brokered private placement offering of up to 2,500,000 common shares priced at \$0.50 per common share (the "Common Shares") for gross proceeds of up to \$1,250,000 (the "Offering").

The Company intends to use a portion of the proceeds from the private placement to complete the funding of the investigator initiated Phase I inhalation safety trial Arch is sponsoring for AB569 at the Cincinnati Veterans Affairs Medical Center. AB569 is the Company's drug candidate for treating drug resistant bacterial infections in the lungs and urinary tract.

Remaining proceeds will be used to support an Investigational New Drug Application for Metablok, including the manufacturing of Metablok under good manufacturing practice standards. Metablok is the Company's drug candidate for inhibiting acute kidney injury, septic shock and cancer metastasis.

The Offering is expected to close in two equal tranches of \$625,000 on February 2, 2018 and March 10, 2018 respectively and is subject to certain conditions including, but not limited to, the receipt of applicable regulatory approvals, including approval of the TSX Venture Exchange as well as the satisfaction of other customary closing conditions.

All Common Shares issued in connection with the Offering will be subject to a hold period of four months and one day from the closing date.

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](http://www.archbiopartners.com)

The Company has 55,299,679 common shares outstanding.

**For more information, please contact:**

Richard Muruve  
Chief Executive Officer  
Arch Biopartners, Inc.  
647-428-7031  
[info@archbiopartners.com](mailto: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.*