

# 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:**

September 13, 2017

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

A news release was distributed via NASDAQ Marketwired in Toronto on September 12, 2017. A copy of the News release is attached as Schedule “A”.

### **4. Summary of Material Change**

The Company closed an increase to a recent private placement of Units.

### **5. Full Description of Material Change**

The Company announced the increase and closing of a non-brokered private placement. The Company issued a total of 400,000 Units at a price of \$0.50 per Unit, for total proceeds of \$200,000. This was an increase from 310,000 Units previously closed by the Company and disclosed to the market in a press release August 10, 2017.

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.

The Company now has 55,299,679 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 20th day of September, 2017.**

**SCHEDULE A  
PRESS RELEASE  
FOR IMMEDIATE DISTRIBUTION  
September 12, 2017**

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

Toronto, Canada - Arch Biopartners Inc., (Arch or the Company) (TSX Venture: ARCH and OTCBB: ACHFF), announced today it has increased the size of the non-brokered private placement the Company previously announced in a press release August 10, 2017, from \$155,000 to \$200,000 (the "Offering").

Pursuant to the Offering, Arch will issue a total of 400,000 Units priced at \$0.50 per Unit (the "Units"). 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 increased amount of the Offering is expected to close September 13, 2017 and 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 totaled \$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](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.*