

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:

June 23, 2016

3. News Release:

A news release was distributed via Canadian Marketwired in Toronto on June 23, 2016. A copy of the News release is attached as Schedule “A”.

4. Summary of Material Change

The Company closed a private placement of Units.

5. Full Description of Material Change

The Company announced the closing of a non-brokered private placement. The Company issued 660,000 Units at a price of \$0.50 per Unit, for gross total proceeds of \$330,000. Each Unit comprises of one common share and one common share purchase warrant. Each warrant allows the holder to purchase an additional common share at \$0.50 cents during the 24 month period following the close of the private placement. The common shares and any common shares issued from the exercise of the warrants will be subject to a hold period expiring on October 23, 2016.

Management of the Company expects a second tranche of up to \$70,000 to close on or before July 29, 2016 pursuant to the terms of the first tranche described herein.

The Company intends to use the proceeds from the Offering to initiate chemistry, manufacturing and controls for its drug candidate, AB569, to enable future human trials testing the drug's efficacy in treating antibiotic resistant lung and urinary tract infections.

The Company now has 53,849,679 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 30th day of June, 2016.

**SCHEDULE A
PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION
June 23, 2016**

**ARCH BIOPARTNERS CLOSES FIRST TRANCHE OF
PRIVATE PLACEMENT**

Toronto, Canada - Arch Biopartners Inc., (Arch or the Company) (TSX Venture: ACH and OTCBB: FOIFF) announced today it has raised \$330,000 by closing the first tranche of the non-brokered private placement it announced in a press release June 14, 2016 (The "Offering"). Pursuant to the terms of the Offering, Arch issued 660,000 Units at a price of \$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 until 5:00PM EST on June 22, 2018.

Arch received Conditional Acceptance from the TSX Venture Exchange for this private placement on June 20, 2016.

All securities issued in connection with this offering will be subject to a statutory hold period expiring on October 23, 2016. Finder's fees paid in connection with the first tranche of the Offering totalled \$2,500 plus 5,500 broker warrants with the same terms as the Warrants.

The Company intends to use the proceeds from the Offering to initiate chemistry, manufacturing and controls for its drug candidate, AB569, to enable future human trials testing the drug's efficacy in treating antibiotic resistant lung and urinary tract infections.

The Offering is subject to certain conditions including, but not limited to, the receipt of applicable regulatory approvals, including Final Approval of the TSXV before July 29, 2016. Management of the Company expects a second tranche of up to \$70,000 to close on or before the date of Final Approval, pursuant to the terms of the first tranche described herein.

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; MetaMx, which targets elusive brain tumor initiating cells; and, Metablok, a potential treatment for sepsis and cancer metastasis.

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

The Company now has 53,849,679 common shares outstanding.

For more information, please contact:

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

Babak Pedram
Investor Relations
Virtus Advisory Group Inc.
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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.