

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:

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P.O. Box 305
Toronto, Ontario
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2. Date of Material Change:

December 4, 2019

3. News Release:

A news release was distributed via Intrado from Toronto on December 4, 2019. A copy of the News release is attached as Schedule “A”.

4. Summary of Material Change

The Company received a U.S. patent on a drug molecule for the treatment of acute kidney injury.

The Company also disclosed the resignation of two directors from the board to become Strategic Advisors to the Company.

The Company further disclosed the issuance of 350,000 new common shares as a result of the exercise of stock options.

5. Full Description of Material Change

The Company announced today the U.S. Patent and Trademark Office (USPTO) has issued to the Company U.S. Patent number 10,493,127 titled, “Dipeptidase 1 Binding Compositions and Methods of Treatment”.

This is the first patent issued protecting the method of use for the dipeptidase-1 (DPEP-1) inhibitor, cilastatin, for ischemia reperfusion injury, where DPEP-1 mediated inflammation plays a major role.

This patent complements the company's lead drug candidate Metablok (LSALT peptide) and broadens Arch's portfolio to target organ inflammation via the DPEP-1 pathway

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 13th day of December, 2019.

SCHEDULE A

PRESS RELEASE FOR IMMEDIATE DISTRIBUTION December 4, 2019

ARCH BIOPARTNERS ANNOUNCES ISSUANCE OF U.S. PATENT FOR DIPEPTIDASE-1 INHIBITOR DRUG FOR USE IN ACUTE KIDNEY INJURY

Toronto, Canada - Arch Biopartners Inc., (“Arch” or the “Company”) (TSX Venture: ARCH and OTCQB: ACHFF) a clinical stage company developing new drug candidates for treating organ damage caused by inflammation, announced today the U.S. Patent and Trademark Office (USPTO) has issued to Arch U.S. Patent number 10,493,127 titled, “Dipeptidase 1 Binding Compositions and Methods of Treatment”.

This is the first patent issued protecting the method of use for the dipeptidase-1 (DPEP-1) inhibitor, cilastatin, for ischemia reperfusion injury, where DPEP-1 mediated inflammation plays a major role.

This patent complements the company’s lead drug candidate Metablok (LSALT peptide) and broadens Arch’s portfolio to target organ inflammation via the DPEP-1 pathway.

About Metablok and DPEP-1

Metablok is a novel peptide drug candidate and the lead DPEP-1 inhibitor in the Arch development pipeline.

A scientific team led by Arch scientists Dr. Donna Senger and Dr. Stephen Robbins recently published a paper in the journal *Cell* describing a novel mechanism of action for organ inflammation. In the publication, DPEP-1 was identified for the first time as a major neutrophil adhesion receptor on the lung, liver and kidney endothelium. This establishes DPEP-1 as a novel therapeutic target for inflammatory diseases of these organs, including sepsis and cardiac surgery-associated acute kidney injury.

Under inflammatory conditions, Metablok targets DPEP-1 in the lung, liver and kidney and functionally blocks neutrophil recruitment to these organs.

Arch is nearing the end of the Phase I clinical trial for Metablok involving 44 healthy volunteers in Melbourne, Australia. The Phase I trial is a double-blind, placebo-controlled, randomized, single and multiple ascending dose study to evaluate the safety and pharmacokinetic profile of Metablok. An update on the trial will be provided by Arch following the dosing of the 44th volunteer, which is expected shortly.

Other Corporate Developments

The Company also announced today that a director of the Company recently exercised a total of 350,000 stock options to buy 350,000 common shares of the Company for proceeds of \$105,000.

The Company also announced today that Patrick Vink and Conor Gunne will be vacating their directorships on the Board of the Company and will continue to assist Arch in new roles as Strategic Advisors, effective immediately. As a result of this change, the number of Arch directors has been reduced to five.

“On behalf of Arch, I would like to thank both Mr. Gunne and Mr. Vink for their contributions to our Company as directors and we look forward to continuing to work together in their new roles,” said Richard Muruve, CEO and director of Arch.

About Arch Biopartners

Arch Biopartners Inc. is a clinical stage company focused on the development of innovative technologies that have the potential to make a significant medical or commercial impact. Arch is developing a drug platform, led by Metablok, to produce new drug candidates that inhibit organ inflammation caused via the DPEP-1 pathway.

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 59,412,302 common shares outstanding.

For more information, please contact:

Richard Muruve
Chief Executive Officer
Arch Biopartners, Inc.
647-428-7031
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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.