

FORM 51-102F3

MATERIAL CHANGE REPORT

**Item 1 Name and Address of Company**

Bioniche Life Sciences Inc. (the **Company**)  
P.O. Box 1570  
Belleville, Ontario  
K8N 5J2

**Item 2 Date of Material Change**

August 6, 2013 and August 7, 2013

**Item 3 News Release**

The news releases attached hereto as Schedule "A" and Schedule "B" announcing the material change described herein were released by the Company through CNW Canada Newswire at Toronto, Ontario on August 6, 2013 and August 7, 2013.

**Item 4 Summary of Material Change**

On August 6, 2013, the Company announced the filing of a preliminary short form prospectus in connection with an equity offering (the **Offering**).

On August 7, 2013, the Company announced the pricing of the Offering.

**Item 5 Full Description of Material Change:**

*5.1 Full Description of Material Change*

On August 6, 2013, the Company announced that it filed a preliminary short form prospectus in all Canadian provinces with the exception of Quebec, Prince Edward Island and Newfoundland and Labrador for the Offering of a minimum of \$5 million and a maximum of \$7.5 million. The Offering will be pursued on a best efforts basis pursuant to an agency agreement to be entered into between the Company and Euro Pacific Canada Inc. (the **Agent**). The Offering price will be determined by negotiation between the Company and the Agent prior to filing the final short form prospectus.

On August 7, 2013, the Company announced that it and the Agent had priced the Offering at price of \$0.29 per of unit of securities of the Company. The unit includes one common share of the Company and one-half of a warrant exercisable at \$0.40 for two years.

*5.2 Disclosure for Restructuring Transactions*

Not applicable.

**Item 6 Reliance on Section 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change in this report.

Jennifer Shea, Vice-President, Communications, Investor & Government Relations  
Telephone: (613) 966-8058; from Australia: 0011 1 613-966-8058  
Cell: (613) 391-2097; from Australia: 0011 1 613-391-2097  
Email: [Jennifer.Shea@Bioniche.com](mailto:Jennifer.Shea@Bioniche.com)

**Item 9 Date of Report**

August 16, 2013

Schedule "A"



**FOR IMMEDIATE RELEASE:**

## Bioniche Files Preliminary Prospectus for Canadian Equity Offering

***NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES.***

**BELLEVILLE, ON, August 6, 2013** – Bioniche Life Sciences Inc. (“Bioniche” or the “Company”) (TSX: BNC) (ASX: BNC), a research-based, technology-driven Canadian biopharmaceutical company, today announced that it has filed a preliminary short form prospectus in all Canadian provinces with the exception of Quebec, Prince Edward Island and Newfoundland and Labrador for an equity offering (the “Offering”) of a minimum of \$5 million and a maximum of \$7.5 million. The Offering will be pursued on a best efforts basis pursuant to an agency agreement to be entered into between the Company and Euro Pacific Canada Inc. (the “Agent”). The Offering price will be determined by negotiation between the Company and the Agent prior to filing the final short form prospectus.

The net proceeds from the Offering will be used to support the development of the Company’s Phase III bladder cancer product, *Urocidin*<sup>™</sup>, and for general corporate purposes. This additional funding will help to ensure that the Company is adequately capitalized as it completes the divestment of its Animal Health business unit, a process that began in May, 2013 and is being led by Evercore Partners (“Evercore”). Evercore is a U.S.-based, independent advisory firm that specializes in merger and acquisition transactions, divestitures and restructurings.

Since the announcement of the Company’s intention to divest its Animal Health business, a number of parties have stepped forward expressing interest, including several major global pharmaceutical companies, and it is expected that offers will be made prior to November, 2013. The sale of Animal Health (and potentially One Health/Vaccine Manufacturing Centre (the “VMC”)) is subject to shareholder approval, and a vote will be held at the November 5, 2013 annual and special meeting of shareholders of the Company (the “Meeting”).

The Company believes it has an opportunity to leverage the value of its Animal Health business today and focus on the value creation potential from the commercialization of *Urocidin*<sup>™</sup> and other assets going forward. The Company’s current plan is to:

1. Divest Animal Health, which may include the sale of the One Health division and VMC.
2. If One Health is not sold, continue to develop the Canadian and international markets for *Econiche*<sup>®</sup> to attain good manufacturing practices validation for the VMC, and continue to seek buyers and/or

partners for these assets.

3. Use the proceeds from the sale of Animal Health to immediately repay debt and repayable government assistance.
4. Complete a New Drug Submission for *Urocidin*<sup>TM</sup> under the Notice of Compliance with Conditions policy and obtain early market access in Canada.
5. Obtain agreement with the U.S. Food and Drug Administration on the most efficient pathway forward for U.S. market access for *Urocidin*<sup>TM</sup>.
6. Initiate and complete deals with distribution partners for marketing *Urocidin*<sup>TM</sup> in major markets, including the U.S. and Europe. Bioniche intends to manufacture the product for all global markets and retain a manufacturer's margin.
7. Evaluate license and development opportunities in humans for *Sin Susto*<sup>TM</sup> in human applications.
8. Hire a new CEO for the Human Health business and restructure the Board of Directors with members who have expertise in human health biologic and pharmaceutical regulatory approvals and commercialization.

The Company will provide detailed information about its future plans, including its proposed Director candidates and details of any purchase offer for the Animal Health business, in a management information circular that will be distributed to all shareholders prior to the Meeting.

The preliminary short form prospectus is available for viewing and downloading at [www.sedar.com](http://www.sedar.com), at [www.Bioniche.com](http://www.Bioniche.com), or by contacting the Company.

*The securities offered under the Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any securities laws of any state of the United States, and may not be offered or sold directly or indirectly in the United States or to, or for the account or benefit of, a "U.S. Person" (as defined in Regulation S under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or to, or for the account or benefit of, a "U.S. Person," nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

## **About Bioniche**

Bioniche is a research-based, technology-driven Canadian biopharmaceutical company focused on the discovery, development, manufacturing, and marketing of proprietary and innovative products for human and animal health markets worldwide. The fully-integrated Company has three operating divisions: Human Health, Animal Health, and Food Safety.

For more information, please visit [www.Bioniche.com](http://www.Bioniche.com).

*Except for historical information, this news release contains forward-looking statements, including, without limitation, the intended use of proceeds from the Offering and the Company's future plans, including, but not limited to, the timing for such plans, that reflect the Company's current expectations regarding future events. These forward-looking statements involve risk and uncertainties, which may include, but are not limited to, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process, and other risks detailed from time to time in the Company's ongoing*

*quarterly and annual reporting. Bioniche does not undertake to update any forward-looking statement or forward-looking information that is included herein, except in accordance with applicable laws.*

**For further information, please contact:**

Jennifer Shea, Vice-President, Communications, Investor & Government Relations

Bioniche Life Sciences Inc.

Telephone: (613) 966-8058; from Australia: 0011 1 613-966-8058

Cell: (613) 391-2097; from Australia: 0011 1 613-391-2097

[Jennifer.Shea@Bioniche.com](mailto:Jennifer.Shea@Bioniche.com)

Schedule "B"



**FOR IMMEDIATE RELEASE:**

## Bioniche Confirms Pricing of Canadian Equity Offering

***NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES.***

**BELLEVILLE, ON, August 7, 2013** – Bioniche Life Sciences Inc. (“Bioniche” or the “Company”) (TSX: BNC) (ASX: BNC), a research-based, technology-driven Canadian biopharmaceutical company, today announced that it and Euro Pacific Canada Inc. (the “Agent”) have priced the best efforts equity offering (the “Offering”) announced yesterday. Based upon orders and indications of interest received by the Agent, the Company confirms that each unit is priced at \$0.29. The unit includes one Common Share and one-half of a Warrant exercisable at \$0.40 for two years.

Completion of the Offering is subject to all regulatory approvals, including the Toronto Stock Exchange. Upon completion, the Company will be filing a final short form prospectus in all Canadian provinces with the exception of Quebec, Prince Edward Island and Newfoundland and Labrador. The document will be available for viewing and downloading at [www.sedar.com](http://www.sedar.com), at [www.Bioniche.com](http://www.Bioniche.com), or by contacting the Company.

The net proceeds from the Offering will be used to support the development of the Company’s Phase III bladder cancer product, *Urocidin*<sup>™</sup> and for general corporate purposes. This additional funding will help to ensure that the Company is adequately capitalized as it completes the divestment of its Animal Health business unit, a process that began in May, 2013.

*The securities offered under the Offering have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any securities laws of any state of the United States, and may not be offered or sold directly or indirectly in the United States or to, or for the account or benefit of, a "U.S. Person" (as defined in Regulation S under the U.S. Securities Act) absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or to, or for the account or benefit of, a "U.S. Person," nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

### **About Bioniche**

Bioniche is a research-based, technology-driven Canadian biopharmaceutical company focused on the discovery, development, manufacturing, and marketing of proprietary and innovative products for human and

animal health markets worldwide. The fully-integrated Company has three operating divisions: Human Health, Animal Health, and Food Safety.

For more information, please visit [www.Bioniche.com](http://www.Bioniche.com).

*Except for historical information, this news release contains forward-looking statements, including, without limitation, the intended use of proceeds from the Offering and the Company's future plans, including, but not limited to, the timing for such plans, that reflect the Company's current expectations regarding future events. These forward-looking statements involve risk and uncertainties, which may include, but are not limited to, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process, and other risks detailed from time to time in the Company's ongoing quarterly and annual reporting. Bioniche does not undertake to update any forward-looking statement or forward-looking information that is included herein, except in accordance with applicable laws.*

**For further information, please contact:**

Jennifer Shea, Vice-President, Communications, Investor & Government Relations  
Bioniche Life Sciences Inc.  
Telephone: (613) 966-8058; from Australia: 0011 1 613-966-8058  
Cell: (613) 391-2097; from Australia: 0011 1 613-391-2097  
[Jennifer.Shea@Bioniche.com](mailto:Jennifer.Shea@Bioniche.com)