

FORM 51-102F3

Securities Act

Material Change Report Under Section 7.1 of NI 51-102

ITEM 1 Name and Address of Company

Buffalo Capital Inc. (the "**Corporation**")
4 – 1250 Waverly Street
Winnipeg, MB R3T 6C6

ITEM 2 Date of Material Change

October 24, 2017

ITEM 3 News Release

A news release announcing the material change was disseminated on October 25, 2017, through CNW Group and through SEDAR. A copy of the news release is attached to this report as Schedule "A".

ITEM 4 Summary of Material Changes

The Corporation announced that it completed its previously announced amalgamation with Waverley Pharma Inc. and obtained a public listing for its securities on the TSX Venture Exchange (the "**Exchange**"). The amalgamation constituted the Corporation's Qualifying Transaction (as defined in Exchange policies) and will result in the Corporation being listed as a Tier 2 issuer on the Exchange. In conjunction with the Qualifying Transaction, the Corporation raised \$5,500,000 through a brokered private placement financing.

ITEM 5 Full Description of Material Change

See news release attached as Schedule "A". The news release was previously filed under the Corporation's SEDAR profile located at www.sedar.com.

ITEM 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

This material change report is not being filed on a confidential basis.

ITEM 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

ITEM 8 Executive Officer

The name and telephone number of the director of the Company who is knowledgeable about the material change and the material change report is:

George R. Thomas, Director, Tel: (204) 928-7904

ITEM 9 Date of Report

October 25, 2017.

Forward looking information

Please refer to the disclaimer regarding forward-looking information in the attached Schedule "A".

SCHEDULE "A"
NEWS RELEASE

(see attached)

**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES.**

**WAVERLEY PHARMA INC.* ANNOUNCES STOCK EXCHANGE LISTING (TSXV: WAVE) AND
CLOSING OF QUALIFYING TRANSACTION AND OVERSUBSCRIBED CONCURRENT FINANCING
*(Previously named Buffalo Capital Inc.)**

October 25, 2017, Winnipeg, Manitoba: Waverley Pharma Inc. (TSX.V: WAVE - the "**Company**" or the "**Resulting Issuer**"), is pleased to announce it has obtained a public listing for its securities on the TSX Venture Exchange (the "**Exchange**") following closing of the Qualifying Transaction (as defined in Exchange policies) involving Buffalo Capital Inc. ("**Buffalo**") and Waverley Pharma Inc. ("**Waverley**"). As a result, the Company will be listed as a Tier 2 issuer on the Exchange. In conjunction with the Qualifying Transaction, Buffalo raised \$5,500,000 through a brokered private placement financing (the "**Financing**") led by PI Financial Inc. (the "**Agent**").

Trading in the shares of the Resulting Issuer is expected to commence under the symbol "WAVE" following the issuance of the Exchange's final bulletin in respect of the Qualifying Transaction, on or about October 27, 2017.

Transaction Details

As previously announced on August 9, 2017, the Qualifying Transaction involved the non-arm's length amalgamation of Buffalo and Waverley pursuant to the provisions of the *Canada Business Corporations Act* (the "**Amalgamation**") to continue as a new company called "Waverley Pharma Inc.". Each common share in the capital of Buffalo (the "**Buffalo Shares**") that was outstanding immediately prior to the Amalgamation was converted into one (1) common share in the capital of the Resulting Issuer (the "**Resulting Issuer Shares**") and each Class "A" common share in the capital of Waverley (the "**Waverley Shares**") that was outstanding immediately prior to the Amalgamation was converted into 400,000 Resulting Issuer Shares. Upon completion of the Amalgamation and the Financing, former holders of Buffalo Shares hold, in the aggregate 14,000,000 Resulting Issuer Shares representing approximately 25.9% of the outstanding Resulting Issuer Shares and the former holder of Waverley Shares holds, in the aggregate 40,000,000 Resulting Issuer Shares representing approximately 74.1% of the outstanding Resulting Issuer Shares.

As a result of the foregoing, the Resulting Issuer has an aggregate of 54,000,000 common shares and 4,270,000 stock options (inclusive of compensation options issued to PI Financial Corp. in connection with the Financing) issued and outstanding.

Directors and Officers of the Company

The board of directors of the Company consists of: Dr. Albert D. Friesen, P. Marcus Enns, Hellen Siwanowicz, and Pieter J. de Visser. The management team of the Company is comprised of: Dr.

George R. Thomas, President, Chief Executive Officer and Corporate Secretary and Pieter J. de Visser, Chief Financial Officer.

Granting of Stock Options

Concurrent with the completion of the Qualifying Transaction, the Resulting Issuer also issued an aggregate of 3,000,000 stock options to certain directors, officers and employees of the Company. The options have an exercise price of \$0.50, vest over a period of three or four years depending on the recipient and expire 10 years from the date of grant.

Closing of the Financing

Immediately prior to the completion of the Amalgamation, Buffalo completed a brokered private placement of 11,000,000 Buffalo Shares at an issue price of \$0.50 per share for aggregate gross proceeds of \$5,500,000 and representing an oversubscription of 1,000,000 Buffalo Shares (10%) over the amount of Financing previously announced. The Financing was led by the Agent and as consideration for acting as agent for the Financing, the Agent received a cash commission equal to 7.0% of gross proceeds of the Financing as well as options to acquire an aggregate of 770,000 Resulting Issuer Shares at a purchase price of \$0.50 per share and expiring two years from the date of issuance.

Proceeds of the Financing are anticipated to be used for planning, preparation and execution of the Company's regulatory strategy and business development and partnering activities, to pay the costs associated with the Financing and for working capital and other corporate purposes.

Early Warning

Dr. Albert D. Friesen of 77 Shorecrest Drive, Winnipeg, Manitoba R3P 1P4, a director and officer of each of Waverley and Buffalo, and now a director of the Resulting Issuer, held or controlled 100 Waverley Shares and 700,000 Buffalo Shares. Upon completion of the Amalgamation, Dr. Friesen now beneficially owns or has control over 40,700,000 Resulting Issuer Shares representing 75.37% of the issued and outstanding Resulting Issuer Shares. A copy of the early warning report filed pursuant to National Instrument 62-103 *The Early Warning System and Related Take Over Bids and Insider Reporting Issues* will be filed under the Resulting Issuer's profile on the SEDAR website at www.sedar.com.

ON BEHALF OF THE BOARD OF DIRECTORS:

Albert D. Friesen
Director

For further information please contact:

George R. Thomas

Email: gthomas@waverleypharma.com

Phone: (204) 928-7904

Disclaimer for Forward-Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the date when shares of the Company are expected to commence trading through the facilities of the Exchange and the anticipated uses of the proceeds of the Financing. Such statements and information reflect the current view of the Company. Risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE BUFFALO MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

This press release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

Neither the 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 press release.