

FORM 51-102F3

Securities Act

Material Change Report Under Section 7.1 of NI 51-102

ITEM 1 Name and Address of Company

Waverley Pharma Inc. (the "Corporation")
4 – 1250 Waverley Street
Winnipeg, MB R3T 6C6

ITEM 2 Date of Material Change

July 23, 2018

ITEM 3 News Release

A news release announcing the material change was disseminated on July 23, 2018, 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 its board of directors (the "Board") has accepted the resignation of Dr. George Thomas as President and Chief Executive Officer (CEO) of the Company, effective July 26, 2018, as he has decided to pursue other opportunities.

Dr. Theron (Ted) Odlaug has been appointed by the Board as the new CEO, effective August 1, 2018. Dr. Odlaug is currently the Executive Chairman of Impopharma Inc. and most recently was the CEO of leon-nanodrugs GmbH, based in Munich, Germany. Prior to that he was the Executive Chairman of Cedarburg Pharmaceuticals, and has over 35 years business experience that includes senior leadership roles at Astellas, Fujisawa, Bayer AG and Baxter.

The Corporation also announced that it has authorized the grant of an aggregate of 400,000 stock options to certain directors and officers of the Company and its subsidiaries in accordance with the Company's stock option plan.

ITEM 5 Full Description of Material Change

The Corporation announced that its board of directors (the "Board") has accepted the resignation of Dr. George Thomas as President and Chief Executive Officer (CEO) of the Company, effective July 26, 2018, as he has decided to pursue other opportunities.

Dr. Theron (Ted) Odlaug has been appointed by the Board as the new CEO, effective August 1, 2018. Dr. Odlaug is currently the Executive Chairman of Impopharma Inc. and most recently was the CEO of leon-nanodrugs GmbH, based in Munich, Germany. Prior to that he was the Executive Chairman of Cedarburg

Pharmaceuticals, and has over 35 years business experience that includes senior leadership roles at Astellas, Fujisawa, Bayer AG and Baxter.

Dr. Albert Friesen, Chairman of Waverley Pharma said, "The Board is very thankful to George for his exemplary service to the Company and wishes him much success in his future endeavors. On behalf of the Board I would also like to welcome Ted to the team and we look forward to working with him as he brings his extensive experience and knowledge to the Company."

Waverley Pharma also announced today that it has authorized the grant of an aggregate of 400,000 stock options (each an "Option") to certain directors and officers of the Company and its subsidiaries in accordance with the Company's stock option plan. Each Option will be exercisable into one common share of the Company at the closing market price of the Company's common shares on the date of grant, for a period of five years from the date of grant. The issuance of the Options is subject to the approval of the TSX Venture Exchange.

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:

Albert D. Friesen, Chairman and Corporate Secretary, Tel: (204) 928-7900

ITEM 9 Date of Report

July 27, 2018.