

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

Quest PharmaTech Inc. (“Quest” or the “Company”)
8123 Roper Road NW
Edmonton, Alberta T6E 6S4

ITEM 2 Date of Material Change:

November 27, 2018

ITEM 3 News Release:

Disseminated on December 3, 2018 through CNW Newswire.

ITEM 4 Summary of Material Change:

Quest PharmaTech Announces Adoption of Shareholder Rights Plan

ITEM 5 Full Description of Material Change:

Quest PharmaTech Inc. (TSX-V: QPT) (“Quest” or the “Company”), a biopharmaceutical company developing and commercializing products to improve the quality of life, today announced that its board of directors (the “**Board**”) has approved the adoption of a Shareholder Rights Plan Agreement (the “**Rights Plan**”) between the Company and Computershare Trust Company of Canada.

The Rights Plan has been adopted to ensure, to the extent possible, that all shareholders of the Company are treated fairly and equally in connection with any take-over bid or other acquisition of control of the Company. The Rights Plan is not intended to deter or discourage bids. It allows a potential bidder to make a “Permitted Bid” as described below directly to the shareholders of the Company without the prior approval of the Board.

One right will be issued and attached to each common share of Quest outstanding as of November 27, 2018. For administrative convenience, the rights will trade with the common shares and be represented by the certificates representing common shares and no further action will be required by shareholders. A right will also automatically attach to each common share of Quest issued hereafter.

Subject to the terms of the Rights Plan and to certain exceptions provided therein, the rights will become exercisable in the event that, following the implementation of the Rights Plan, any person (an “**Acquiring Person**”), together with joint actors, acquires or announces its intention to acquire beneficial ownership of

20% or more of the Company's outstanding common shares without complying with the "Permitted Bid" provisions of the Rights Plan or in circumstances where the application of the Rights Plan is waived in accordance with its terms. The "Permitted Bid" provisions prevent the dilutive effects of the Rights Plan from operating if a take-over bid is made to all holders of common shares of the Company (other than the bidder) by way of a take-over bid circular that remains open for acceptance for a minimum of 105 days and satisfies certain other conditions. In circumstances where a take-over bid does not comply with the requirements of the Rights Plan or where the application of the Rights Plan is not waived in accordance with its terms, the rights holders (other than the acquiring person and any joint actors) will be entitled to purchase additional common shares of the Company at a significant discount to the market price.

The Rights Plan has been conditionally approved by the TSX Venture Exchange and is effective immediately but is subject to ratification by the shareholders of the Company within six months of its effective date. The Company has called an annual meeting of shareholders for January 28, 2019 and the Rights Plan will be considered for ratification at that meeting. The Board considers the adoption of the Rights Plan to be desirable and in the interests of all of the Company's shareholders. If the Rights Plan is not ratified by the Company's shareholders within six months, the Rights Plan and all rights issued thereunder will terminate and cease to be effective at that time. If the Rights Plan is ratified, it will be required to be reconfirmed prior to the close of the annual meeting of shareholders to be held in 2022 to continue.

Neither the Board nor management of the Company is aware of any pending or threatened take-over bid for the Company.

Details of the announcement are contained in a press release dated December 3, 2018 which is available on SEDAR at www.SEDAR.com.

ITEM 6 **Reliance on subsection 7.1(2) of National Instrument 51-102:**
N/A

ITEM 7 **Omitted Information:**
N/A

ITEM 8 **Executive Officer:**
Dr. Ragupathy Madiyalakan, CEO – ph # (780) 448-1400 ext 204

ITEM 9 **Date of Report:**
December 7, 2018