FORM 51-102F3

Material Change Report

Item 1 - Name and Address of Company

Viventia Biotech Inc.
10 Four Seasons Place
Suite 501
Toronto, Ontario
M9B 6H7

Item 2 - Date of Material Change

August 16, 2004

Item 3 - News Release

A press release disclosing each material change was issued on August 16, 2004. A copy of the press release for the material change is attached.

Item 4 - Summary of Material Change

1. Viventia Biotech Inc. (the "Company") has elected to withdraw the second amended and restated preliminary prospectus it filed on July 19, 2004 in connection with a proposed public offering of units.

2. The Company has entered into a non-binding term sheet with Mr. Leslie Dan, a member of his family and/or their nominees (the "Dan Group") in respect of a private placement equity financing of convertible debentures (the "Private Placement").

3. The Company received $1,000,000 on August 16, 2004 in the form of an unsecured demand loan (the "Bridge Loan") from Mr. Dan, a significant shareholder of the Company.

Item 5 - Full Description of Material Change

1. The Company has elected to withdraw the second amended and restated preliminary prospectus it filed on July 19, 2004 in connection with a proposed public offering of units.

2. The Company has entered into a non-binding term sheet with the Dan Group in respect of a private placement equity financing. Under the terms of the agreement, the Dan Group has agreed to invest $14 million in secured convertible debentures and has agreed to convert $8.9 million (plus accrued interest) of currently outstanding unsecured demand bridge financing loans into secured convertible debentures. The resulting principal amount of convertible debentures will be secured by a first charge over all of the assets of the Company and will bear interest at the rate of 4.5% per annum, compounded annually. The debentures will mature two years from the date of issuance, when both interest and principal will be payable. The debentures will be convertible at the option of the holder at any time into units. Each unit will be comprised of one common share of the Company and one half of a common share purchase warrant. Each whole common share purchase warrant will enable the holder to purchase an additional common share at anytime for a period of 4 years from the date of issuance. The proceeds of the Private Placement will be used to (i) repay the Company's currently outstanding bridge financing loans to the Dan Group in the principal amount of $2 million (plus accrued interest), (ii) to repay the Company's currently outstanding $4 million in principal amount of secured convertible debentures (plus accrued interest) and (iii) to finance the Company's operations. The Company believes that this proposed Private Placement will be sufficient to provide operating funds for the Company to the first quarter of 2005 and has been unanimously approved by the independent members of the board of directors on the recommendation of a special committee of the board of directors . The Company and the Dan Group intend to close the Private Placement as soon as possible after receipt of regulatory approval, in order to continue advancing the Company's research and development activities. The terms of the proposed Private Placement are subject to regulatory approval.

In approving the term sheet for the Private Placement, the independent members of the board of directors determined that: (i) the Company was in serious financial difficulty; (ii) the Private Placement would improve the financial position of the Company and allow it to fund its ongoing operations; and (iii) the terms of the Private Placement were reasonable in the circumstances.

Mr. Dan is the chairman of the board of the Company. The Dan Group currently owns approximately 82.8% of the issued and outstanding equity of the Company. After the closing of the private placement, the Dan Group and companies controlled by them will own approximately 92.2% on a fully diluted basis (not including the exercise of outstanding options).

3. On August 16, 2004, Mr. Dan advanced the Bridge Loan to the Company in the form of an interest bearing unsecured demand loan. The demand loan bears interest at a rate of 4.5% per annum and may be repaid in whole or in part at any time without penalty.

In approving the entering into of the Bridge Loan, the independent members of the board of directors determined that: (i) the Company was in serious financial difficulty; (ii) the Bridge Loan would improve the financial position of the Company and allow it to fund its ongoing operations; and (iii) the terms of the Bridge Loan were reasonable in the circumstances

Item 6 - Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 - Omitted Information

No significant facts remain confidential in, and no information has been omitted from, this report.

Item 8 - Executive Officer

The executive officer of the Company who is knowledgeable about this material change is:

Nick Glover
President & Chief Executive Officer
(416) 641-4579

Item 9 - Date of Report

August 26, 2004

News release via Canada NewsWire, Toronto 416-863-9350

Attention Business Editors:
Viventia Biotech provides financing updates

TORONTO, Aug. 16 /CNW/ - Viventia Biotech Inc. (the "Company") (TSX:VBI) today announced a series of updates concerning the Company's financing activities:

- The Company announced that it has entered today into a non-binding term sheet with Leslie Dan, a member of his family and/or their respective nominees (the "Dan Group") in respect of a private placement equity financing. Under the terms of the agreement, the Dan Group has agreed to invest $14 million in secured convertible debentures and has agreed to convert $8.9 million (plus accrued interest) of currently outstanding unsecured demand bridge financing loans into secured convertible debentures. The resulting principal amount of convertible debentures will be secured by a first charge over all of the assets of the Company and will bear interest at the rate of 4.5% per annum, compounded annually. The debentures will mature two years from the date of issuance, when both interest and principal will be payable. The debentures will be convertible at the option of the holder at any time into units. Each unit will be comprised of one common share of the Company and one half of a common share purchase warrant. Each whole common share purchase warrant will enable the holder to purchase an additional common share at anytime for a period of 4 years from the date of issuance. The proceeds of the private placement will be used to (i) repay the Company's currently outstanding bridge financing loans to the Dan Group in the principal amount of $2 million (plus accrued interest), (ii) to repay the Company's currently outstanding $4 million in principal amount of secured convertible debentures (plus accrued interest) and (iii) to finance the Company's operations. The Company believes that this proposed private placement will be sufficient to provide operating funds for the Company to the first quarter of 2005 and has been approved by the independent members of the Board of Directors. The terms of the proposed private placement are subject to regulatory approval.

- The Company also announced that it has received the amount of $1,000,000 in the form of an unsecured demand loan from the Dan Group. The demand loan bears interest at the market rate of 4.5% per annum, and has been provided by the Dan Group as an interim funding measure ending the receipt of regulatory approval and the closing of the proposed private placement with the Dan Group.

- The Company today also disclosed that it has elected to withdraw the second amended and restated preliminary prospectus it filed on July 19, 2004 in connection with a proposed public offering of units. It was a condition of the proposed public offering that the Dan Group purchase 40% of the units offered pursuant to the offering, up to a maximum of $14 million. This financing commitment by the Dan Group will now be effected by means of the private placement transaction. The Company stated that the decision to withdraw the prospectus and enter into a private placement arrangement was a result of by adverse market conditions in the biotech financing sector. The Company remains fully committed to seeking additional, diversified sources of financing in the future.

Dr. Nick Glover, President and CEO of Viventia commented: "Although Viventia continues to aggressively advance its promising pipeline of product candidates, it is our assessment that the climate for Viventia's first major public offering is not appropriate at this time. We are fortunate to have the on-going commitment and support of the Dan Group, and are delighted to enter into a private placement transaction with them to continue to fund on-going product development activities."

Viventia Biotech Inc. (VBI: TSX) is a biopharmaceutical company advancing a new generation of monoclonal antibody therapeutics designed to offer safer, more beneficial therapies for cancer patients. Viventia's fully integrated technology platform is based upon the isolation of human monoclonal antibodies from cancer patients, and the development of those antibodies to deliver cancer-killing payloads directly to cancer cells. Viventia's lead product candidate, Proxinium(TM), is in clinical development for the treatment of head and neck cancer and bladder cancer, and several other product candidates are in pre-clinical development.

This press release contains forward-looking statements that involve a number of risks and uncertainties. Among the important factors that could cause actual results to differ materially from those indicated by such forward looking statements are market and general economic conditions and the risk factors detailed from time to time in the Company's periodic reports filed with the Canadian securities regulatory authorities.

The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.

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/For further information: Domenic LoParco, Manager, Investor Relations, Viventia Biotech Inc., (416) 641-4585, dloparco(at)viventia.com/

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