FORM 51-102F3
NATIONAL INSTRUMENT 51-102

MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF NI 51-102

FILED VIA SEDAR

Item 1. **Name and Address of Company**

Microbix Biosystems Inc.
265 Watline Avenue
Mississauga, Ontario
L4Z 1P3

Item 2. **Date of Material Change**

A material change took place on February 1, 2013.

Item 3. **News Release**

On February 1, 2013 a news release in respect of the material change was released by telecopier through the facilities of Canada NewsWire.

Item 4. **Summary of Material Change**

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

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

A full description of the material change is contained under Item 4.

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

The report is not being filed in reliance on section 7.1(2) or (3) of National Instrument 51-102.

Item 7. **Omitted Information**

No information has been omitted.

Item 8. **Executive Officer**

William J. Gastle, CEO
416-234-1624 ext. 230

Item 9. **Date of Report**

February 1, 2013

SCHEDULE “A”

Microbix Biosystems Inc.

265 Watline Ave., Mississauga, Ontario, Canada L4Z 1P3
Tel: 416-234-1624 Fax: 416-234-1626

News Release

Attention Business/Financial Editors

Microbix Sells Purified Water Business

TORONTO, Feb. 1, 2013 /CNW - Microbix Biosystems Inc. (TSX: MBX), a biotechnology company developing innovative biological products and technologies, today announced it has sold its Water-for-Injection business to Irvine Scientific in California. The sale was constructed on an earn-out basis, though specific deal terms were not disclosed.

The sale of this non-core asset is part of the Company's strategy to focus on higher value-added Antigen products as well as key pipeline projects such as Kinlytic, which the Company is currently developing under license for Zydus Cadila. The sale has resulted in the redeployment of key resources to these important initiatives.

Vaughn Embro-Pantalony, President and Chief Executive Officer of Microbix commented "In addition to the strategic rationale to re-deploy important resources to higher value opportunities, the transaction also moves us toward our goal of generating sustainable, positive cash flow from operations." Mr. Embro-Pantalony then added "We are confident our customers will be well served by Irvine Scientific and that this transaction provides substantial benefit to all parties."

About Microbix Biosystems

Microbix Biosystems Inc. specializes in the marketing and development of biological products and technologies. The Company owns intellectual property for several products including an FDA approved biopharmaceutical drug, a proprietary vaccine technology and an animal reproduction technology. Microbix supplies customers in the U.S. Europe, and Asia. Microbix was established in 1988 and is headquartered in Mississauga, Ontario, Canada.

About Irvine Scientific

Irvine Scientific is located in California and specializes in the design, manufacture and distribution of cell culture media and medical devices and serves customers in biopharmaceutical, human reproductive, cell therapy, and cytogenetics markets.

Disclaimer

This press release contains forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements including the risks associated with development projects, operations in Foreign jurisdictions, risks associated with engineering and construction generally, risks associated with production including control over costs, quality, quantity and timeliness of delivery of products, foreign currency and exchange rate risk, and risks of raising capital on acceptable terms or at all. These forward-looking statements represent the Companies' judgment as of the date of this press release. The Company disclaims any intent or obligation to update these forward-looking statements.

For further information:

Visit www.microbix.com or contact: Vaughn C. Embro-Pantalony, CEO, (416) 234-1624 x 350; or James Long, CFO, (416) 23