

FORM 53-901F

SECURITIES ACT

**MATERIAL CHANGE REPORT UNDER
THE SECURITIES ACT (BRITISH COLUMBIA)
THE SECURITIES ACT (ALBERTA)
THE SECURITIES ACT (ONTARIO)
THE SECURITIES ACT (QUEBEC)
THE SECURITIES ACT (SASKATCHEWAN)
THE SECURITIES ACT (MANITOBA)
THE SECURITIES ACT (NEWFOUNDLAND/LABRADOR)
THE SECURITIES ACT (NOVA SCOTIA)
THE SECURITIES ACT (PRINCE EDWARD ISLAND)
THE SECURITY FRAUDS PREVENTION ACT (NEW BRUNSWICK)**

Item 1. Name and Address of Reporting Issuer

Inflazyme Pharmaceuticals Ltd.
425 – 5600 Parkwood Way
Richmond, BC
V6V 2M2

Item 2. Date of Material Change

November 7, 2002

Item 3. Press Release

A press release announcing the change referred to in this report was issued on November 7, 2002 at Richmond, BC.

Item 4. Summary of Material Change

Inflazyme announced the results from its Phase Ia and Phase Ib clinical trials with IPL512,602, Inflazyme's potential new oral asthma therapy under development in collaboration with Aventis Pharma.

Item 5. Full Description of Material Change

See press release issued on November 7, 2002, a copy of which is attached to this report.

Item 6. Reliance on section 85(2) of the Act

Not Applicable

Item 7. Omitted Information

Not Applicable

Item 8. Senior Officers

For further information, please contact Mr. Michael Liggett, Chief Financial Officer at 604-279-8511.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED as of this 15th day of November, 2002 in the City of Richmond, in the Province of British Columbia.

INFLAZYME PHARMACEUTICALS LTD.

“Michael Liggett”

MICHAEL LIGGETT,
CHIEF FINANCIAL OFFICER



NEWS RELEASE

FOR IMMEDIATE RELEASE

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Inflazyme Pharmaceuticals Ltd. Suite 425, 5600 Parkwood Way, Richmond, British Columbia, Canada V6V 2M2

Inflazyme Announces Phase I Results For Potential New Asthma Therapy Progressing to IND Filing

FOR IMMEDIATE RELEASE

November 7, 2002

RICHMOND, B.C., CANADA - Inflazyme Pharmaceuticals Ltd. (TSX: "IZP") today announced the results from its Phase Ia and Phase Ib clinical trials with IPL512,602, the Company's potential new oral asthma therapy under development in collaboration with Aventis Pharma.

Ian McBeath, President & CEO of Inflazyme said that the Company has received preliminary data from Inveresk Research, Scotland, who conducted the Phase I clinical trials on behalf of Inflazyme, indicating that IPL512,602 is safe and well tolerated at the doses studied. Based on the results received, the Company is moving forward to open an IND with plans to commence a Phase II study in asthma during 2003. Upon completion of this study, Aventis Pharma will have the option to license the compound subject to a milestone payment being made to the Company.

"We are pleased that these initial safety studies in male volunteers allow us to continue to move forward with our respiratory development program with our partner Aventis", said Ian McBeath. "We expect the Phase II asthma study to commence in the first half of 2003. The study will be designed to determine efficacy in asthma patients and will be conducted at numerous asthma clinics in the United States".

Inflazyme's Phase I studies involved a total of 114 male subjects, 86 of whom received either single or multiple doses of IPL512,602 for up to ten days.

IPL512,602 is one of the Company's second generation LSAIDs (Leukocyte Suppressing Anti-Inflammatory Drugs) and is being developed in collaboration with Aventis Pharma for the treatment of asthma.

In April, Inflazyme and Aventis reported promising results from a Phase IIa Allergen Challenge Study with the first generation LSAID, IPL576,092. Based on data available at that time from the ongoing Phase I program with IPL512,602, demonstrating an improved pharmacokinetic profile over IPL576,092, and along with other pre-clinical data, confirming an increased potency of IPL512,602, the parties announced that IPL512,602 would be progressed as the lead molecule in the respiratory program.

Under the terms of the collaboration, Inflazyme is responsible for the development of IPL512,602 through Phase IIa clinical trials. After Phase IIa trials are completed, Aventis will have the option to acquire exclusive worldwide rights (non-exclusive in Canada) to an oral dosage form of the product as a treatment for asthma and respiratory disease upon payment of a milestone to Inflazyme. Aventis will then be responsible for further development and commercialization of the product.

Under the collaboration Inflazyme has received US\$16 million and will be entitled to further payments of up to US\$45million if development milestones for an oral asthma compound, specified in the agreement, are achieved. Inflazyme may also receive double-digit royalties on future sales of any products developed under the collaboration.

Overview of LSAIDs

The Company has chosen the term LSAIDs to represent new anti-inflammatory compounds discovered and developed by its researchers. The Company has to date advanced three distinct LSAIDs into early human clinical development: IPL576,092, IPL512,602 and IPL550,260. IPL550,260 is currently undergoing Phase Ib clinical trials and has been shown to be safe and well tolerated at doses administered to date. Inflazyme continues to investigate this molecule in a number of pre-clinical models of inflammatory disease and the direction of future clinical programs will be decided upon completion of this work. The first generation LSAID, IPL576,092, continues in product development and is currently being reviewed by a number of potential partners in pre-clinical models of inflammatory diseases of the eye. Further studies are planned for inflammatory diseases of the skin.

The Company has other LSAIDs in research and in preclinical development for respiratory and non-respiratory indications.

Overview of Asthma

Asthma is a serious inflammatory disease of the lungs that currently affects an estimated seven percent of the population in North America. The disease is characterized by bronchial hyper-responsiveness to external stimuli (such as exercise and stress), and in particular, allergens (such as smoke, dust, pollen, etc.). Asthma sufferers experience wheezing, shortness of breath and a dry cough. In 2001, the worldwide market for asthma therapies was reported to be approximately US\$11.7 billion, a growth of 15% over the year 2000.

Inflazyme Pharmaceuticals Ltd. is a Richmond, B.C., based biopharmaceutical company dedicated to the discovery and development of new therapies for the treatment of inflammatory and other serious diseases. For more information, please visit www.inflazyme.com.

Statements in this news release other than historical information are forward-looking statements subject to risks and uncertainties. Actual results could differ materially depending on factors such as the availability of resources, the timing and effects of regulatory actions, the strength of competition, the outcome of litigation and the effectiveness of patent protection. Additional information regarding risks and uncertainties is set forth in the current Annual Information Form for Inflazyme on file with the Canadian Securities Commissions. The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this information.

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