

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

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

Afexa Life Sciences Inc. ("Afexa" or the "Company")  
9604 – 20<sup>th</sup> Avenue  
Edmonton, AB T6N 1G1

**2. Date of Material Change:**

January 25, 2010

**3. News Release:**

A press release in respect of the material change, in the form attached as Schedule "A" to this Report, was disseminated through Marketwire via COMTEX on January 25, 2010.

**4. Summary of Material Change:**

Afexa announced on January 25, 2010 that its Board of Directors has approved the adoption of a shareholder rights plan (the "Rights Plan") designed to encourage the fair and equal treatment of shareholders in connection with any take-over bid for the outstanding common shares of the Company ("Common Shares").

The Rights Plan is intended to provide the Company's Board of Directors with adequate time to assess a take-over bid; to consider alternatives to a take-over bid as a means of maximizing shareholder value, if considered appropriate; to allow competing bids to emerge; to make reasoned recommendations to the Company's shareholders; and to provide shareholders with adequate time to properly assess a take-over bid without undue pressure.

The Board of Directors is not currently aware of any pending or threatened take-over bid for the Company. The adoption of the Rights Plan is not intended as a means to prevent a take-over of the Company, to secure the continuance of management or the directors in their respective offices, or to deter fair offers for Common Shares. The Rights Plan is similar to plans adopted by other Canadian companies.

The Rights Plan has received conditional approval from the Toronto Stock Exchange and is effective as of January 25, 2010 (the "Effective Date"). Although effective as of the Effective Date, the Rights Plan is subject to ratification by the Company's shareholders within six months. If not ratified within six months from the Effective Date, the Rights Plan and all of the rights outstanding at the time will terminate. The Rights Plan will be presented for ratification by shareholders at the Company's annual shareholder meeting to be held on March 18, 2010. If the Rights Plan is approved by shareholders, it will have an initial term of three years.

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

See the press release attached hereto as Schedule "A".

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

Not applicable.

**7. Omitted Information:**

Not applicable.

**8. Executive Officer:**

For further information, please contact:

Allan Cleiren, Chief Financial Officer and Senior VP Operations  
Tel: (780) 432-0022  
Fax: (780) 432-7772

**9. Date of Report:**

January 27, 2010

## SCHEDULE "A"



# NEWS RELEASE

## AFEXA LIFE SCIENCES INC. ADOPTS SHAREHOLDER RIGHTS PLAN

**Edmonton, Alberta – January 25, 2010** - Afexa Life Sciences Inc. (TSX: FXA) (the "Company") announced today that its Board of Directors has approved the adoption of a shareholder rights plan (the "Rights Plan") designed to encourage the fair and equal treatment of shareholders in connection with any take-over bid for the outstanding common shares of the Company ("Common Shares").

The Rights Plan is intended to provide the Company's Board of Directors with adequate time to assess a take-over bid; to consider alternatives to a take-over bid as a means of maximizing shareholder value, if considered appropriate; to allow competing bids to emerge; to make reasoned recommendations to the Company's shareholders; and to provide shareholders with adequate time to properly assess a take-over bid without undue pressure.

The Board of Directors is not currently aware of any pending or threatened take-over bid for the Company. The adoption of the Rights Plan is not intended as a means to prevent a take-over of the Company, to secure the continuance of management or the directors in their respective offices, or to deter fair offers for Common Shares. The Rights Plan is similar to plans adopted by other Canadian companies.

Under the terms of the Rights Plan, one right (a "Right") will be issued by the Company in respect of each outstanding Common Share at the close of business on January 25, 2010 (the "Effective Date") and in respect of each Common Share issued thereafter (subject to the terms of the Rights Plan). The Rights issued under the Rights Plan become exercisable only if a person acquires or announces its intention to acquire 20% or more of the Common Shares without complying with the "permitted bid" provisions of the Rights Plan or without the approval of the Company's Board of Directors.

Should such an acquisition occur, Rights holders (other than the acquiring person and certain related persons) can purchase Common Shares at a substantial discount to the prevailing market price (as defined in the Rights Plan) at the time the Rights become exercisable.

"Permitted bids" under the Rights Plan must, among other requirements, be made to all holders of the Company's Common Shares for all of their Common Shares and must be open for acceptance for a minimum of 60 days. If at the end of 60 days at least 50% of the outstanding

Common Shares other than those owned by the offeror and certain related parties have been tendered and not withdrawn, the bidder may take up and pay for the shares but must extend the bid for at least a further 10 business days to allow other shareholders to tender to the bid.

The Rights Plan has received conditional approval from the Toronto Stock Exchange and is effective as of the Effective Date. Although effective as of the Effective Date, the Rights Plan is subject to ratification by the Company's shareholders within six months. If not ratified within six months from the Effective Date, the Rights Plan and all of the Rights outstanding at the time will terminate. The Rights Plan will be presented for ratification by shareholders at the Company's annual shareholder meeting to be held on March 18, 2010. If the Rights Plan is approved by shareholders, it will have an initial term of three years.

The issuance of the Rights is not dilutive and will not affect reported earnings or cash flow per Common Share unless the Rights separate from the underlying Common Shares in connection with which they were issued and become exercisable or are exercised. The issuance of the Rights will not change the manner in which shareholders currently trade their Common Shares.

A copy of the Rights Plan will be filed on SEDAR at [www.sedar.com](http://www.sedar.com) and can also be obtained from the Company upon written request.

## **ABOUT AFEXA LIFE SCIENCES INC.**

Afexa Life Sciences Inc. (formerly CV Technologies) founded in 1992, strives to transform people's lives to be healthier and happier by focusing on prevention and recovery through the use of evidence-based naturally derived health products. The Company's lead product, COLD-FX<sup>®</sup>, strengthens the immune system and is widely used as a leading over-the-counter remedy for helping to prevent and relieve cold and flu infections.

### **FINANCIAL CONTACT:**

Allan Cleiren, Chief Financial Officer and  
Senior VP Operations  
Afexa Life Sciences Inc.  
1-780-432-0022  
[acleiren@afexa.com](mailto:acleiren@afexa.com)  
[www.afexa.com](http://www.afexa.com)

### **INVESTOR CONTACT:**

Jane Tulloch, Senior Director, Investor Relations  
Afexa Life Sciences Inc..  
1-780-577-3724  
[jtulloch@afexa.com](mailto:jtulloch@afexa.com)  
[www.afexa.com](http://www.afexa.com)

### ***Advisory Regarding Forward-Looking Statements***

*This news release contains certain forward-looking statements and information within the meaning of applicable securities laws, which reflect current expectations of the management of Afexa Life Sciences Inc. (the "Company") regarding future events or the Company's future performance. All statements other than statements of historical fact contained in this news release may be forward-looking statements. The forward-looking information included in this document does not guarantee future performance and should not be unduly relied upon. Such information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information, including, without limitation, comments that could be impacted by competition, the incidence of cold and flu, consumer confidence and spending levels, general economic conditions, interest and currency exchange rates, unseasonable weather patterns, the cost and availability of capital and grants/funding, product development uncertainties, labour market challenges, consumer acceptance of COLD-FX in other markets and consumer acceptance of IMMUNITY-FX. The Company believes that the expectations and assumptions reflected in the forward-looking information contained herein are reasonable but no assurance can be given that these expectations and assumptions are correct or that the results, performance or achievements expressed in, or implied by, forward-looking statements herein will occur, or if they do, that any benefits may be derived from them. The Company can give no assurance that new product development initiatives will lead to new product commercialization. The Company assumes no duty to update or revise forward looking information, except as may be required pursuant to applicable laws. All forward-looking information is expressly qualified in its entirety by this cautionary statement. Further information regarding risks and*

*uncertainties relating to the Company and its securities can be found in the disclosure documents filed by the Company with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com). The Company claims exemption under U.S. SEC Rule 12g3-2(b).*