

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Afexa Life Sciences Inc. (“**Afexa**” or the “**Company**”)
9604 – 20th Avenue
Edmonton, AB T6N 1G1

The reporting issuer has its principal office in Edmonton, Alberta.

Item 2 Date of Material Change

October 17, 2011 and October 18, 2011

Item 3 News Release

A press release announcing a material change was issued by Afexa on October 18, 2011 and disseminated through a recognized newswire. A copy of the press release is attached hereto as Schedule “A”. A further news release announcing related development was issued by Afexa on October 18, 2011, disseminated through a recognized newswire and attached hereto as Schedule “B”.

Item 4 Summary of Material Change

Afexa announced that it had been advised by 1625907 Alberta Ltd. (the “Offeror”), a wholly-owned subsidiary of Valeant Pharmaceuticals, Inc. (“Valeant”), that 80,929,921 common shares (“Common Shares”) of Afexa were deposited to the Offeror’s offer (the “Valeant Offer”) dated October 3, 2011 to acquire all of the issued and outstanding Common Shares and that all such Common Shares have been taken up and will be paid for in accordance with the terms of the Valeant Offer. The Common Shares taken up under the Valeant Offer represent approximately 73.8% of the issued and outstanding Common Shares (on a fully-diluted basis). Afexa’s shareholders who tendered to the Valeant Offer will receive C\$0.85 per share in cash which will be paid to Afexa’s shareholders in accordance with the terms of the Valeant Offer.

The support agreement entered into among Afexa, Valeant and the Offeror provides that following the acquisition by the Offeror of more than 50% of the outstanding Common Shares of Afexa on a fully-diluted basis, the Offeror has the right to appoint a number of directors of Afexa equal to the Offeror’s pro rata share ownership in Afexa. Afexa is obligated to cooperate with the Offeror in order to promptly implement the appointments. As a result, the Offeror appointed six of the eight members of the board of directors of Afexa and five of the existing directors of Afexa resigned. The six nominees of the Offeror appointed to the board of directors of Afexa are G. Mason Morfit, Katharine Stevenson and Ronald Farmer, who are directors of Valeant and are independent of both Valeant and Afexa, and Thomas Schlader, Robert Chai-Onn and Rajiv De Silva, who are officers of Valeant. Two of

the existing independent directors of Afexa, J. Douglas Gilpin and Maurice (Ted) Bilyea, remain directors of Afexa.

On October 18, 2011, Robert Chai-Onn, Executive Vice President, General Counsel and Corporate Secretary of Valeant Pharmaceutical International, Inc. was appointed the Chairman of the Board of Directors of the Company. Thomas Schlader, President of Valeant Canada Limited was appointed the President and Chief Executive Officer of the Company.

Item 5 Full Description of Material Change

In addition to the take up of approximately 73.8% of the Common Shares on a fully diluted basis and the replacement of five members of the Board of Directors with six new nominees of Valeant, the Offeror and Valeant also announced that the Valeant Offer will be extended until 5:00 p.m. (Edmonton time) on October 27, 2011 to enable Afexa shareholders who have not yet tendered their Common Shares to accept the Valeant Offer. A notice of extension will be mailed to Afexa shareholders and optionholders and has been filed with the applicable securities regulatory authorities. The notice may be obtained free of charge at www.sedar.com or by contacting Georgeson, Afexa's information agent, as indicated below.

The Offeror is in a position to effect a subsequent acquisition transaction to acquire the remaining Common Shares, as described in the take-over bid circular in respect of the Valeant Offer, as amended. The timing and details of such transaction will necessarily depend on a variety of factors, as described in the take-over bid circular; however, under such transaction, all Common Shares will be mandatorily acquired at the same price of C\$0.85 per Common Share. Completion of such transaction will require up to 60 days or potentially longer from the expiry of the Valeant Offer. If further to the extension of the Valeant Offer, the Offeror is successful in acquiring at least 90% of the outstanding common shares of Afexa under the Valeant Offer, it intends to acquire the remaining shares by compulsory acquisition under the *Business Corporations Act* (Alberta). As a result, shareholders should be aware that if they tender to the Valeant Offer they will receive payment for their Common Shares promptly, whereas if they do not tender and a subsequent acquisition transaction or a compulsory acquisition transaction is completed, while their Common Shares will be acquired at the same price as paid under the Valeant Offer, payment will not be made until after completion of that transaction.

On October 18, 2011, Robert Chai-Onn was appointed the Chairman of the Board of Directors of the Company and Thomas Schlader was appointed the President and Chief Executive Officer of the Company, replacing William B. White, who was formerly the Chair of the Board and the Interim CEO.

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

Not applicable.

Item 7 Omitted Information

None.

Item 8 Executive Officer

The name and business telephone number of the executive officer of Afexa who is knowledgeable of the material change and this report is:

Michael Obert
Chief Legal Officer and Senior Vice President Corporate Development
Tel: (780) 432-0022
Fax: (780) 432-7772

Item 9 Date of Report

October 19, 2011

SCHEDULE "A"



Afexa Life Sciences Inc.

NEWS RELEASE

AFEXA ANNOUNCES TAKE-UP OF SHARES UNDER VALEANT OFFER

EDMONTON, ALBERTA – Tuesday, October 18, 2011 - Afexa Life Sciences Inc. ("Afexa" or the "Company") (TSX:FXA) - the maker of COLD-FX® - announced today that it has been advised by 1625907 Alberta Ltd. (the "Offeror"), a wholly-owned subsidiary of Valeant Pharmaceuticals, Inc. ("Valeant"), that 80,929,921 common shares ("Common Shares") of Afexa were deposited to the Offeror's offer (the "Valeant Offer") dated October 3, 2011 to acquire all of the issued and outstanding Common Shares and that all such Common Shares have been taken up and will be paid for in accordance with the terms of the Valeant Offer. The Common Shares taken up under the Valeant Offer represent approximately 73.8% of the issued and outstanding Common Shares (on a fully-diluted basis). Afexa's shareholders who tendered to the Valeant Offer will receive C\$0.85 per share in cash which will be paid to Afexa's shareholders in accordance with the terms of the Valeant Offer.

The Offeror and Valeant also announced today that the Valeant Offer will be extended until 5:00 p.m. (Edmonton time) on October 27, 2011 to enable Afexa shareholders who have not yet tendered their Common Shares to accept the Valeant Offer. A notice of extension will be mailed to Afexa shareholders and optionholders and has been filed with the applicable securities regulatory authorities. The notice may be obtained free of charge at www.sedar.com or by contacting Georgeson, Afexa's information agent, as indicated below.

The support agreement entered into among Afexa, Valeant and the Offeror provides that following the acquisition by the Offeror of more than 50% of the outstanding Common Shares of Afexa on a fully-diluted basis, the Offeror has the right to appoint a number of directors of Afexa equal to the Offeror's pro rata share ownership in Afexa. Afexa is obligated to cooperate with the Offeror in order to promptly implement the appointments. As a result, the Offeror will appoint six of the eight member of the board of directors of Afexa and five of the existing directors of Afexa are expected to resign. The six nominees of the Offeror to be appointed to the board of directors of Afexa are expected to be G. Mason Morfit, Katharine Stevenson and Ronald Farmer, who are directors of Valeant and are independent of both Valeant and Afexa, and Thomas Schlader, Robert Chai-Onn and Rajiv De Silva, who are officers of Valeant. Two of the existing independent directors of Afexa, J. Douglas Gilpin and Maurice (Ted) Bilyea, are expected to remain directors of Afexa.

The Offeror is in a position to effect a subsequent acquisition transaction to acquire the remaining Common Shares, as described in the take-over bid circular in respect of the Valeant

Offer, as amended. The timing and details of such transaction will necessarily depend on a variety of factors, as described in the take-over bid circular; however, under such transaction, all Common Shares will be mandatorily acquired at the same price of \$0.85 per Common Share. Completion of such transaction will require up to 60 days or potentially longer from the expiry of the Valeant Offer. If further to the extension of the Valeant Offer, the Offeror is successful in acquiring at least 90% of the outstanding common shares of Afexa under the Valeant Offer, it intends to acquire the remaining shares by compulsory acquisition under the *Business Corporations Act* (Alberta). As a result, shareholders should be aware that if they tender to the Valeant Offer they will receive payment for their Common Shares promptly, whereas if they do not tender and a subsequent acquisition transaction or a compulsory acquisition transaction is completed, while their Common Shares will be acquired at the same price as paid under the Valeant Offer, payment will not be made until after completion of that transaction.

For the reasons set out in the notice of change to directors' circulars dated October 3, 2011, a copy of which is available at www.sedar.com, the Afexa Board of Directors reaffirms its recommendation that Afexa shareholders accept the Valeant Offer and tender their Common Shares to the Valeant Offer. Each of the directors and officers of Afexa and their associates and affiliates that owned Common Shares have already tendered their Common Shares to the Valeant Offer.

Afexa is being represented by Fraser Milner Casgrain LLP; the Special Committee of Afexa is being represented by Osler, Hoskin Harcourt LLP and Valeant is being represented by Stikeman Elliott LLP. Scotia Capital Inc. is acting as financial advisor to Afexa and RBC Capital Markets is acting as financial advisor to Valeant.

About Afexa Life Sciences Inc. (TSX:FXA)

Afexa Life Sciences Inc., founded in 1992, strives to deliver the most trusted health brand on the planet through pioneering evidence-based natural medicines that empower people to achieve their health potential. The Company's patented ChemBioPrint[®] discovery and standardization technology enables the development of effective and safe medicines from complex natural sources, while ensuring reliable health benefits and batch-to-batch consistency. COLD-FX[®], a ChemBioPrint product, is the Company's flagship product and Canada's leading over-the-counter (OTC) cold and flu remedy. It is officially indicated in Canada to help reduce the frequency, severity and duration of cold and flu symptoms by boosting the immune system. COLD-FX has a product license (NPN) and is supported by scientific evidence, including randomized, double-blind, placebo-controlled clinical trials. The Company recently launched COLDSORE-FX in Canada and has a range of polymolecular drugs at various clinical and pre-clinical development stages. This product pipeline includes COLD-FX pediatric, AFX-2 for Chronic Lymphocytic Leukemia, Dilexaponan for cholesterol management, HT-1001 for Oxidative Stress and a product for blood glucose management.

Advisory Regarding Forward-Looking Statements

This news release contains forward-looking information (as defined in the Securities Act (Alberta)) that is based on expectations, estimates and projections as of the date of this news release. These forward-looking statements can often, but not always, be identified by the use of forward-looking terminology such as "plans", "predicts", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Actual results and developments (including earnings and cash flow) are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release.

Forward-looking statements contained in this news release are based on a number of assumptions that may prove to be incorrect, including, but not limited, expectations related to future sales of commercialized products, the timing, duration and results of clinical trials, the timing and results of regulatory reviews, the safety and efficacy of Afexa's product candidates and the indications for which Afexa's product candidates might be developed; competitive conditions in the life sciences and technology industry; general economic conditions; changes in laws, rules and regulations applicable to Afexa.

In addition to being subject to a number of assumptions, forward-looking statements in this news release involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to be materially different from those expressed or implied by such forward-looking statements, including the risks identified in the filings by Afexa with the Canadian provincial securities regulatory authorities, including Afexa's annual information form for the fiscal year ended March 31, 2011.

The Company believes that the expectations reflected in the forward-looking statements contained in this news release are reasonable as at the date hereof, but no assurance can be given that these expectations will prove to be correct. In addition, although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, you should not place undue reliance on any forward-looking statements contained in this news release.

MEDIA CONTACT:

Warren Michaels
Vice President, Communications
Afexa Life Sciences Inc.
1-780-432-0022
wmichaels@afexa.com
www.cold-fx.com

INVESTOR CONTACT:

Jane Tulloch
Senior Director, Investor Relations
Afexa Life Sciences Inc.
1-780-577-3724
jtulloch@afexa.com
www.afexa.com

Shareholders are encouraged to contact Georgeson Shareholder Communications Group Inc., the information agent retained by Afexa, North American toll free at 1-866-676-3005 or via e-mail at askus@georgeson.com for any questions related to the Valeant Offer.

SCHEDULE “B”



Afexa Life Sciences Inc.

NEWS RELEASE

AFEXA ANNOUNCES APPOINTMENT OF NEW CHAIR AND PRESIDENT AND CEO

EDMONTON, ALBERTA – Tuesday, October 18, 2011 - Afexa Life Sciences Inc. (“Afexa” or the “Company”) (TSX:FXA) - the maker of COLD-FX[®] - announced today that Robert Chai-Onn, Executive Vice President, General Counsel and Corporate Secretary of Valeant Pharmaceutical International, Inc. has been appointed the Chairman of the Board of Directors of the Company. Thomas Schlader, President of Valeant Canada Limited has been appointed the President and Chief Executive Officer of the Company.

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Afexa Life Sciences Inc., founded in 1992, strives to deliver the most trusted health brand on the planet through pioneering evidence-based natural medicines that empower people to achieve their health potential. The Company’s patented ChemBioPrint[®] discovery and standardization technology enables the development of effective and safe medicines from complex natural sources, while ensuring reliable health benefits and batch-to-batch consistency. COLD-FX[®], a ChemBioPrint product, is the Company’s flagship product and Canada’s leading over-the-counter (OTC) cold and flu remedy. It is officially indicated in Canada to help reduce the frequency, severity and duration of cold and flu symptoms by boosting the immune system. COLD-FX has a product license (NPN) and is supported by scientific evidence, including randomized, double-blind, placebo-controlled clinical trials. The Company recently launched COLDSORE-FX in Canada and has a range of polymolecular drugs at various clinical and pre-clinical development stages. This product pipeline includes COLD-FX pediatric, AFX-2 for Chronic Lymphocytic Leukemia, Dilexaponan for cholesterol management, HT-1001 for Oxidative Stress and a product for blood glucose management.

MEDIA CONTACT:

Warren Michaels
Vice President, Communications
Afexa Life Sciences Inc.
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wmichaels@afexa.com
www.cold-fx.com

INVESTOR CONTACT:

Jane Tulloch
Senior Director, Investor Relations
Afexa Life Sciences Inc.
1-780-577-3724
jtulloch@afexa.com
www.afexa.com

Shareholders are encouraged to contact Georgeson Shareholder Communications Group Inc., the information agent retained by Afexa, North American toll free at 1-866-676-3005 or via e-mail at askus@georgeson.com for any questions related to the Valeant Offer.