

BIOPHAGE PHARMA INC.

MATERIAL CHANGE REPORT

TO: Alberta Securities Commission
British Columbia Securities Commission
Commission des valeurs mobilières du Québec

Item 1: Reporting Issuer

BIOPHAGE PHARMA INC.
6100 Royalmount
Montreal, Quebec H4P 2R2

Item 2: Date of Material Change

July 15, 2003

Item 3: Press Release

Biophage Pharma Inc. issued a press release on July 24, 2003 (a copy of which is appended hereto).

Item 4: Summary of Material Change

Grant of 2,000,000 stock options to three (3) officers pursuant to the stock option plan with certain variations from the terms of the plan and re-pricing of the exercise price of all outstanding options.

Item 5: Full Description of Material Change

Grant of 2,000,000 stock options to three (3) officers pursuant to the stock option plan. These options are exercisable at a price of \$0.14 per share and have a five-year term. These options have been granted with certain variations from the terms of the plan, in particular that the vesting of a large number of these options will be directly linked to the achievement by Biophage Pharma Inc. of certain financial and scientific milestones.

Re-pricing of the exercise price of all outstanding options. The outstanding options had an exercise price ranging from \$0.28 to \$1.50. The re-pricing affects 1,161,500 options. The new exercise price is \$0.14, that is the closing price of the common shares of Biophage Pharma Inc. at the close of market on the TSX Venture of July 14, 2003. The TSX Venture Exchange approved the re-pricing on July 24, 2003.

The re-pricing of options held by insiders and the variations of the terms of the options granted to certain officers are subject to the approval of the majority of the votes cast by disinterested shareholders at the next shareholders meeting.

Item 6: Confidential Report

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Senior Officers

For further information, please contact:

Lucie St-Georges
Chief Financial Officer
Biophage Pharma Inc.
(514) 496-1452

Item 9: Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED AND SIGNED in Montréal, Québec, this 25th day of July 2003.

BIOPHAGE PHARMA INC.

Per: (S) Lucie St-Georges
Lucie St-Georges
Chief Financial Officer



PRESS RELEASE

For immediate release

BIOPHAGE PHARMA RE-PRICES OUTSTANDING OPTIONS AND GRANTS ADDITIONAL OPTIONS

Montreal, July 24, 2003 - Biophage Pharma Inc. (TSXV: BUG) announced today that it has granted on July 15, 2003, 2 million stock options to three of its officers pursuant to its stock option plan. These options are exercisable at a price of \$0.14 per share and have a five-year term. These options have been granted with certain variations from the terms of the plan, in particular that the vesting of a large number of these options will be directly linked to the achievement by the corporation of certain financial and scientific milestones. In addition, the corporation announced that the TSX Venture Exchange has approved the re-pricing of the exercise price of all outstanding options to \$0.14. The outstanding options had an exercise price ranging from \$0.28 to \$1.50. The re-pricing of options held by insiders and the variations of the terms of the options granted to officers are subject to the approval of the majority of the votes cast by disinterested shareholders at the next shareholders meeting.

Biophage Pharma is a Canadian biopharmaceutical company engaged in the development of new therapeutics in two core domains: the treatment of antibiotic-resistant infections in livestock and inflammatory diseases in humans. Founded in 1995, Biophage is located at the Biotechnology Research Institute in Montreal and employs 18 people, including a team of 14 researchers. Through an active research and development program, as well as in-licensing and collaboration agreements, Biophage is building a portfolio of promising new therapeutics (www.biophage.com).

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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Information:

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