

BIOPHAGE PHARMA INC.

Form 51-102F3

MATERIAL CHANGE REPORT

TO: Alberta Securities Commission
British Columbia Securities Commission
Autorité des marchés financiers du Québec

Item 1: Name and address of Company

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

Item 2: Date of Material Change

August 17, 2004.

Item 3: New Release

Biophage Pharma Inc. issued a press release on August 17, 2004 (a copy of which is appended hereto).

Item 4: Summary of Material Change

Private placement of 5,307,981 units at a price of \$0.104 per unit for a total consideration of \$552,030.

Item 5: Full Description of Material Change

Private placement of 5,307,981 units at a price of \$ 0.104 per unit for a total consideration of \$552,030. Each unit is made up of one common share and 0.3 common share purchase warrant. Each full warrant entitles the holder thereof to purchase one common share at a price of \$0.25 until August 17, 2006. The proceeds from the private placement will be used by the Corporation for the development of advanced therapeutic and diagnostic applications for phage products and for working capital purposes. As a result of this private placement, 5,307,981 additional common shares have been issued and warrants to purchase up to 1,592,395 common shares have been granted. Carpe DM, Inc. a business development firm for leading medical and technology companies, has received a fee of \$31,642 and 40,000 non-transferable broker warrants at an exercise price of \$0.13 which may be exercised until February 17, 2006. The common shares, the warrants, the broker warrants and the underlying common shares to these warrants are subject to a resale restriction until December 18, 2004.

Item 6: Reliance on subsection 7.1 (2) or (3) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

Lucie St-Georges
Vice-President, Finance & Chief Financial Officer
Biophage Pharma Inc.
(514) 496-1452

Item 9: Date of Report

August 18, 2004



PRESS RELEASE

For immediate release

BIOPHAGE PHARMA CLOSES A \$552,030 PRIVATE PLACEMENT

Montreal, August 17, 2004 - Biophage Pharma Inc. (TSX: BUG.V), a Canadian biopharmaceutical company is pleased to announce the closing of its private placement totaling \$552,030, in consideration of 5,307,981 units at a price of \$ 0.104 per unit. The proceeds from the private placement will be used by the Corporation for the development of advanced therapeutic and diagnostic applications for phage products and for working capital purposes.

“This financing will allow us to pursue our aggressive development strategy we have previously announced and will serve to strengthen our financial position,” said Dr. Rosemonde Mandeville, Biophage’s President and Chief Executive Officer. “The primary use of the proceed will be to maintain the progress of the company lead compounds and will allow us to complement our strong internal research with creative external alliances in order to accelerate market penetration of our first diagnostic product based on Nanobiotechnology” added Dr Mandeville.

As a result of this private placement, 5,307,981 additional common shares have been issued and warrants to purchase up to 1,592,395 common shares have been granted. In connection with the offering, Carpe DM, Inc. a business development firm for leading medical and technology companies, will receive a fee of \$31,642 and 40,000 non-transferable warrants at an exercise price of \$0.13. The common shares issued or issuable pursuant to this private placement are subject to a resale restriction until December 18, 2004.

Biophage Pharma Inc. is a Canadian biopharmaceutical company developing new therapeutic and diagnostic products using phage-based technology. Founded in 1995, Biophage is located at the Biotechnology Research Institute in Montreal and employs 16 people, including a team of 13 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).

Information:

Rosemonde Mandeville, M.B. Ch.B., Ph.D.
President and Chief Executive Officer
Biophage Pharma Inc.
(514) 496-1488

Lucie St-Georges, CA
Vice-President, Finance & Chief Financial Officer
Biophage Pharma Inc.
(514) 496-1452

email@biophage.com