

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. NAME AND ADDRESS OF ISSUER

Lifebank Corp. (the "Issuer")
200 - 4475 Wayburne Drive
Burnaby, British Columbia
V5G 4X4

Telephone: (604) 738-2722

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ITEM 2. DATE OF MATERIAL CHANGE

August 10, 2012

ITEM 3. NEWS RELEASE

Issued on August 10, 2012 and distributed through the facilities of Market News.

ITEM 4. SUMMARY OF MATERIAL CHANGE

Inception Biosciences Inc. ("Inception") and the Issuer announced that they have entered into a support agreement, pursuant to which Inception has agreed to offer to acquire all of the issued and outstanding common shares in the capital of the Issuer.

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

See news release attached as Schedule "A".

ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not Applicable.

ITEM 7. OMITTED INFORMATION

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. EXECUTIVE OFFICER

Contact: F. Ernest Stacey
Telephone: 604-738-2722

ITEM 9. DATE OF REPORT

August 10, 2012

Schedule "A"



PRESS RELEASE

FOR IMMEDIATE RELEASE

Inception and Lifebank announce agreement for Inception to acquire Lifebank

Acquisition will create the largest FACT accredited cord blood bank in Canada

August 10, 2012

Toronto, Ontario and Burnaby, British Columbia – Inception Biosciences Inc. and Lifebank Corp. (TSX-V: LBK), two of Canada's largest umbilical cord blood banks, are pleased to announce that they have entered into a support agreement, pursuant to which Inception has agreed to offer to acquire all of the issued and outstanding common shares in the capital of Lifebank.

Take-Over Bid

Pursuant to the support agreement, Inception has agreed to offer to acquire all of the issued and outstanding common shares in the capital of Lifebank, by way of a take-over bid, for \$0.48 per share in cash, subject to certain adjustments to the offer price as discussed below. Assuming no adjustment to the offer price and the exercise of all outstanding stock options, the offer price of \$0.48 per share represents a value of \$5,430,413 for Lifebank.

The offer price of \$0.48 per share will be adjusted plus or minus \$0.005 per share for each \$56,500 increment that the sum of Lifebank's cash or cash equivalents on hand five business days prior to the expiry date of the offer (plus proceeds from the anticipated exercise of outstanding stock options less unpaid expenses related to the offer) is greater than \$2,028,249.99 or less than \$1,971,750.01, as applicable. Any adjustment to the offer price will be communicated to Lifebank's shareholders prior to the expiry date of the offer.

Assuming an offer price of \$0.48 per share, the offer represents a 500% premium based on Lifebank's closing share price of \$0.08 on the TSX Venture Exchange on August 9, 2012, the last trading day prior to this announcement of the execution of the Support Agreement, and a premium of approximately 500% over the volume weighted average share price on the TSX-V for the 20 trading days ending August 9, 2012.

The Board of Directors of Lifebank, after consultation with its financial and legal advisors and receipt of a recommendation of its independent committee and a fairness opinion from Evans & Evans Inc., has unanimously determined that the offered consideration per common share is fair to Lifebank's shareholders and the offer is in the best interests of Lifebank and, accordingly, unanimously recommends that Lifebank's shareholders tender their common shares to the offer.

Concurrent with the execution of the support agreement, all of the directors and senior officers of Lifebank and certain of its shareholders, collectively holding common shares and stock options to acquire common shares representing approximately 41.7% of the outstanding common shares on a fully-diluted basis, have entered into lock-up agreements with Inception, pursuant to which they have agreed to tender to the offer all of the common shares held by them, including those to be issued upon exercise of stock options.

The offer will be subject to certain customary conditions, including there having been validly deposited pursuant to the offer (and not withdrawn at the expiry time of the offer) that number of common shares which constitutes at least 66⅔% of the outstanding common shares in the capital of Lifebank calculated on a fully-diluted basis.

The details of the offer will be contained in a take-over bid circular prepared by Inception and a directors' circular prepared by Lifebank, which are expected to be mailed together to Lifebank's shareholders later this month. All Lifebank shareholders are urged to read the circulars once they become available as they will contain additional important information concerning the offer.

Exciting Combination

The acquisition of Lifebank by Inception will provide the combined organization with a national presence and improved capability to serve all of Canada. The new organization will provide greater scale, service and reach for its customers, as well as leveraging Inception's leading practices used in its state-of-the-art laboratory and storage facilities.

"Inception believes that this transaction will be positive, not only for shareholders, but for Canadian families who seek the security of cord blood banking," said Richard Lockie, Inception's President and Chief Executive Officer. "The innovation, leadership and commitment brought together by the combination of our two companies will provide Canadian families with the reassurance that their children's cord blood will be protected and available long-term."

Ernest Stacey, founder, President and Chief Executive Officer of Lifebank, stated "This is a very exciting development for the Lifebank team, our shareholders and, most importantly, our customers who have trusted Lifebank with their cord blood for the past 16 years. Together, we will accelerate the growth of the Canadian cord blood sector and continue to be the quality and service leaders that all of our customers rely on and expect. I look forward to working with Richard and his team."

Advisors and Counsel

Ernst and Young Corporate Finance Inc. is acting as financial advisor for Inception and legal counsel is provided by Osler, Hoskin & Harcourt LLP. Lifebank's financial advisors are ESC Advisors and its legal counsel is DuMoulin Black LLP. A special committee of Lifebank's Board of Directors is receiving financial advice from Evans & Evans, Inc. and its legal counsel is Bull, Housser & Tupper LLP.

About Inception

Inception is the largest cord blood program in Canada, with over 39,000 cord blood units banked. Inception is a private company owned by Argosy Partners, Mount Sinai Hospital, management and its scientific founders. By continuing to partner with leading Canadian medical facilities such as Toronto's Mount Sinai Hospital, the Inception Cord Blood Program is able to provide every Canadian family with security, state of the art processing and storage, financial stability and long term professional governance. For more information, visit www.inception.com

About Lifebank

Started in 1996, Lifebank is a leading national company in the biomedical field based at the British Columbia Institute of Technology campus in Burnaby. Lifebank provides processing and cryogenic storage of umbilical cord blood stem cells for families in Canada and worldwide. With proven quality systems, Lifebank provides informed parents with the comfort that their children's cord blood stem cells are processed and stored by an experienced, professional and dedicated organization. Lifebank's website can be found at www.lifebank.com

Advisories

Certain statements made herein are forward-looking statements that involve risks and uncertainties. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", "expected", "scheduled", "estimates", "intends", "anticipates", or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These forward-looking statements reflect each of Inception and Lifebank's best judgment based on current information, factors and assumptions, and although the parties base these statements on circumstances that the parties believe to be reasonable when made, there can be no assurance that future events will not affect the accuracy of such forward-looking information. As such, the forward-looking statements are not guarantees of future performance or

actions, and actual performance and actions may vary materially from the actions and expectations discussed in this press release.

Each of Inception and Lifebank disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Contact Information

For further information, please contact:

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or

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