Claritas Pharmaceuticals, Inc.
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Claritas Pharmaceuticals, Inc. (the "Company")
4040 Civic Center Drive
Suite 200
San Rafael, California, USA, 94903

Item 2: Dates of Material Change

May 27, 2022

Item 3: News Release

News releases were issued and disseminated through the facilities of Executive Business Services, Inc. and/or Stockwatch on the above mentioned date, and filed on SEDAR (www.sedar.com). Copy of the news release is attached as Schedule "A" hereto.

Item 4: Summary of Material Changes

On May 27, 2022, the Company provided a status update with respect of the management cease trade order ("MCTO") granted on May 4, 2022 under National Policy 12-203 *Management Cease Trade Orders* that prevents the Company's CEO and CFO from trading in the securities of the Company until after the Company's Annual Documents have been filed and the BCSC revokes the MCTO. As previously disclosed, the Company applied to the BCSC for the MCTO, because it anticipated being unable to file its annual audited financial statements for the fiscal year ending December 31, 2021, annual management discussion & analysis for the fiscal year ending December 31, 2021, and CEO & CFO certificates related to the foregoing (collectively, the "Annual Documents") by the May 2, 2022 filing deadline. The MCTO does not affect the ability of other shareholders to trade their securities. The Company expects to file the Annual Documents as soon as available on or before June 30, 2022.

Additionally, the Company announced that it anticipates not being able to file its interim financial results for the quarter ended March 31, 2022, and the related management's discussion and analysis and CEO and CFO certificates (collectively, the "Q1 Filings") by the reporting deadline of May 30, 2022. The Company expects to file the Q1 Filings within five business days of the filing of the Annual Documents. The Company's lack of financial resources has caused the delay in the required filings and has also impacted the Company's research and development activities and has resulted in the company placing the Phase 1 clinical study of R-107 on hold. The Company will not be able to complete the Annual Documents and Q1 Filings, nor will it be able to re-start the Phase 1 clinical study of R-107, until it raises additional capital. The Company is seeking to raise additional capital and is working to do so with a U.S. based firm that advises clients on private debt, equity capital and M&A transactions.

Readers are urged to review the attached news release at Schedule "A" to this report for complete details on the above mentioned matters.

Item 5: Full Description of Material Changes

See attached news releases at Schedule "A" to this report.

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

Not applicable.

Item 7: Omitted Information

Not applicable.

Item 8: Executive Officer

The following executive officer of the Company is knowledgeable about the material changes and this report:

Robert Farrell
President, CEO, & Director

Item 9: Date of Report

May 27, 2022

Schedule "A" follows on the following page.

SCHEDULE "A"

Claritas Provides Management Cease Trade Order & Corporate Update Per Policy Statement 12-203

SAN FRANCISCO, CA -- (MAY 27, 2022) – Claritas Pharmaceuticals, Inc. (TSX VENTURE EXCHANGE (“**TSXV**”) symbol: CLAS and OTC symbol: CLAZF) (the "**Company**" or "**Claritas**") is providing an update with respect to its previously announced management cease trade order (“**MCTO**”) issued by the Company’s principal regulator, the British Columbia Securities Commission (the “**BCSC**”) on May 4, 2022.

The MCTO was issued because the company did not file its annual audited financial statements for the fiscal year ending December 31, 2021, annual management discussion & analysis for the fiscal year ending December 31, 2021, and CEO & CFO certificates related to the foregoing (collectively, the “**Annual Documents**”) by the prescribed filing deadline of May 2, 2022.

Preparation of the Annual Documents has also impacted the timely completion of the Company's interim financial statements for the quarter ended March 31, 2022. The completion of those interim statements is dependent on the results contained in the Annual Documents. As a result, Claritas will not be able to file its interim financial results for the quarter ended March 31, 2022, and the related management's discussion and analysis and CEO and CFO certificates (collectively, the "**Q1 Filings**") by the reporting deadline of May 30, 2022. Claritas expects to file the Q1 Filings within five business days after it has filed the Annual Documents.

The Company’s management confirm that they are working expeditiously to file the Annual Documents and the Q1 Filings as soon as they are available, but in any event no later than June 30, 2022 for the Annual Documents and five business days after for the Q1 Filings. As previously announced, pursuant to the MCTO, the Company’s CEO and CFO cannot trade the securities of the Company until the Company files the Annual Documents and the BCSC revokes the MCTO. The MCTO does not affect the ability of shareholders to trade their securities.

Claritas has not completed the Annual Documents and the Q1 Filings due to its inability to pay fees due to its audit firm as well as third-party service providers that Claritas has retained to provide certain financial valuations required for completion of the audit. The Company’s lack of financial resources has also impacted the Company’s research and development activities and has resulted in the Company

placing the Phase 1 clinical study of R-107 on hold. The Company will not be able to complete the Annual Documents and Q1 Filings, nor will it be able to re-start the Phase 1 clinical study of R-107, until it raises additional capital. The Company is seeking to raise additional capital and is working to
do so with a U.S. based firm that advises clients on private debt, equity capital and M&A transactions.

The Company is providing this bi-weekly default status report in accordance with National Policy Statement 12-203 Respecting Management Cease Trade Orders ("PS 12-203"). Until such time as the Company files the Annual Documents and the Q1 filings and the MCTO has been revoked, the Company intends to follow the provisions of the Alternative Information Guidelines set out in PS 12-203, including the issuance of bi-weekly default status reports in the form of news releases.

The Company has today entered into an agreement (the "**Obsidian Shares for Debt Agreement**") with Obsidian Global GP, LLC ("**Obsidian**") under which the Company will pay to Obsidian USD $97,435.50 of Common Shares of the Company in partial payment of amounts currently owed to Obsidian under the Debenture entered into between the Company and Obsidian on October 14, 2021 (the "**Debenture**"). The Company is currently in default under the Debenture due to its failure to make required repayments of principal when due. Under the Obsidian Shares for Debt Agreement, Obsidian has agreed to forbear exercise of its default remedies under the Debenture in consideration for the Company agreeing to issue such Common Shares to Obsidian at a 16.66% discount from the CAD $0.06 closing market price of the Company's common shares on May 26, 2022, resulting in the proposed number of shares to be issued to Obsidian (subject to TSXV approval) at 2,500,000 common shares. The terms of the Obsidian Shares for Debt Agreement/application have been submitted to the TSXV. Should the TSXV approve the terms of the Shares for Debt Agreement, this will enable the Company to pay Obsidian in shares of the Company in accordance with TSXV policies. The Company will provide additional updates after TSXV approval of the issuance of any securities.

Pursuant to the provisions of the alternative information guidelines specified in PS 12-203, the Company confirms that, other than as disclosed in this news release and the previous status report new release of May 13, 2022, as the date of this news release (a) there are no material changes to the information contained in the anticipated default announcement issued on April 29, 2022 and the subsequent related announcement of May 4, 2022 announcing the MCTO (collectively, the "Default Announcement") that would reasonably be expected to be material to an investor; (b) there have been no failures by the Company to fulfill its stated intentions with respect to satisfying the provisions of the alternative reporting guidelines under PS 12-203; (c) there has not been, nor is there anticipated to be (except with respect of the anticipated lateness of the Q1 Filings), any specified default subsequent to the default which is the subject of the Default Announcement;

and (d) there is no other material information concerning the affairs of the Company that has not been generally disclosed.

The applicable Canadian securities regulatory authorities may issue a general cease trade order against the Company for failure to file the Annual Documents within the prescribed time period or sooner if the Company fails to file its status reports during the prescribed time limits.

About Claritas Pharmaceuticals

Claritas Pharmaceuticals, Inc. is a clinical stage biopharmaceutical company focused on developing and commercializing therapies for patients with significant unmet medical needs. Claritas focuses on areas of unmet medical need, and leverages its expertise to find solutions that will improve health outcomes and dramatically improve people's lives.

- Website Home: https://claritaspharma.com/
- News and Insights: https://claritaspharma.com/news/
- Investors: https://claritaspharma.com/investors/

Cautionary Statements

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This press release may contain certain forward-looking information and statements ("forward-looking information") within the meaning of applicable Canadian securities legislation, that are not based on historical fact, including without limitation with respect of the payment of shares for services, and other statements containing the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "continue", "estimate", "forecasts" and other similar expressions, whether referred to in this news release and any other document referenced in this document. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, whether the Company will be able to file the Annual Documents and the Q1 Filings in a timely manner to avoid a general cease trade order, or whether any financing will transpire or be effected that would address the Company's financial needs, including to address the current and anticipated filing defaults and fund the Company's operations. There is also a risk that the Annual Documents may not be ready by the anticipated timeline beyond the 2 months of the regular deadline for the documents, and the Q1 Filings may not be ready by the five business days after the Annual Documents have been filed, each of which situation may lead to a general cease trade order affecting the securities of the Company and all securityholders. There is no assurance whether the shares as contemplated would be issued to Obsidian on the terms currently contemplated or at all, and issuance of shares to Obsidian is subject to TSXV's approval of the related debt for shares *application. Claritas undertakes no obligation to comment on analyses, expectations or statements made by third parties, its securities, or financial or operating results (as applicable). Although Claritas believes that the expectations reflected in forward-looking information in this press release are reasonable, such forward-looking information has been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond Claritas' control. The forward-looking information contained in this press release is expressly qualified by this cautionary statement and is made as of the date hereof. Claritas disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.*

Contact Information

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