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

July 19, 2022

Item 3: News Release

News releases were issued and disseminated through the facilities of Executive Business Services, Inc. and/or Stockwatch on July 21, 2022, and filed on SEDAR (www.sedar.com). Copy of the news release is attached as Schedule “A” hereto.

Item 4: Summary of Material Changes

The British Columbia Securities Commission (the “BCSC”) has issued a Failure-to-File Cease Trade Order against the Company (the "FFCTO") on July 19, 2022 due to the Company's failure to file by the prescribed filing deadlines its annual financial statements for the year ending December 31, 2021, the Company’s interim financial report for the period ended March 31, 2022, the management's discussion and analysis for the periods ended December 31, 2021 and March 31, 2022, and certifications of the annual and interim filings for the periods ended December 31, 2021 and March 31, 2022. Until revoked, the FFCTO prohibits the trading of the Company’s securities except in very limited circumstances. As a result of the issuance of the FFCTO, the TSXV has suspended trading of the Company’s securities. 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

July 21, 2022

Schedule “A” follows on the following page.

SCHEDULE "A"

Claritas Announces Issuance of Failure-to-file Cease Trade Order by BCSC

SAN FRANCISCO, CA -- (July 21, 2022) – Claritas Pharmaceuticals, Inc. (TSX VENTURE EXCHANGE: CLAS and OTC: CLAZF) (the "**Company**" or "**Claritas**") today announced that the British Columbia Securities Commission (the "BCSC") has issued a Failure-to-File Cease Trade Order against the Company (the "**FFCTO**") on July 19, 2022 due to the Company's failure to file by the prescribed filing deadlines its annual financial statements for the year ending December 31, 2021, the Company's interim financial report for the period ended March 31, 2022, the management's discussion and analysis for the periods ended December 31, 2021 and March 31, 2022, and certifications of the annual and interim filings for the periods ended December 31, 2021 and March 31, 2022. Until revoked, the FFCTO prohibits the trading of the Company's securities except in very limited circumstances. Copy of the FFCTO is included at the end of this press release. As a result of the issuance of the FFCTO, the TSXV has suspended trading of the Company's securities.

Claritas has not completed the required 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. Specifically, the Company has not been able to pay fees due to the third-party service provider, the Salzman Group, that the Company retained to provide certain research and development activities, including manufacture of drug substance and overall management of the Company's Phase 1 clinical study of R-107. Consequently, the Salzman Group has stopped work on the Phase 1 clinical study, and the Company has placed the Phase 1 clinical study of R-107 on hold. The Company will not be able to make the required filings, nor will it be able to re-start the Phase 1 clinical study of R-107, until it either raises additional capital or sublicenses to a third-party pharmaceutical company its rights to develop R-107 for the treatment of pulmonary arterial hypertension ("**PAH**"). The Company is in discussions with pharmaceutical companies regarding the sublicense of its rights to develop R-107 for the treatment of PAH. If the Company is successful in sublicensing its rights to develop R-107 for the treatment of PAH, the Company expects that it will receive a license fee from which the Company will 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. Thereafter, the Company will make the required filings and apply to the BCSC and any other applicable regulator to have the FFCTO fully revoked, and apply to the TSXV to have the Company's securities resume trading.

About Claritas Pharmaceuticals

Claritas Pharmaceuticals, Inc. ("**Claritas**") is committed to developing new treatments for a variety of diseases and disorders, by discovering, developing, manufacturing, and delivering innovative human therapeutics. 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

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 in respect of its product candidate pipeline, planned clinical trials, regulatory approval prospects, intellectual property objectives, and other statements containing the words "believes", "anticipates", "plans", "intends", "will", "should", "expects", "continue", "estimate", "forecasts" and other similar expressions. 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, the risk that future clinical studies may not proceed as expected or may produce unfavorable results, and the risk that the Company may be unable to remove the FFCTO. 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 because of new information, future events or otherwise.

Contact Information

Robert Farrell
President, CEO
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****Copy of the FFCTO appears below.**

British Columbia
Securities Commission

Citation: 2022 BCSECCOM 300

Cease Trade Order

Claritas Pharmaceuticals, Inc.

(the Issuer)

Under the securities legislation of British Columbia and Ontario (Legislation)

Background

¶ 1 This is the order of the regulator of the British Columbia Securities Commission (the Principal Regulator) and evidences the decision of the regulator or securities regulatory authority in Ontario (each a Decision Maker).

¶ 2 The Issuer has not filed the following periodic disclosure required by the Legislation:

1. interim financial report for the period ended March 31, 2022,
2. annual audited financial statements for the year ended December 31, 2021 ,
3. management's discussion and analysis for the periods ended March 31, 2022 and December 31, 2021,
4. certification of annual and interim filings for the periods ended March 31, 2022 and December 31, 2021

¶ 3 As a result of this order, if the Issuer is a reporting issuer in a jurisdiction in which Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* applies, a person or company must not trade in or purchase a security of the Issuer in that jurisdiction, except in accordance with the conditions that are contained in this order, if any, for so long as this order remains in effect.

¶ 4 Further, this order takes automatic effect in each jurisdiction of Canada that has a statutory reciprocal order provision, subject to the terms of the local securities legislation.

Interpretation

¶ 5 Terms defined in the Legislation, National Instrument 14-101 *Definitions* and National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Order

¶ 6 Each of the Decision Makers is satisfied that the decision concerning the cease trade meets the test set out in the Legislation to make this decision.

¶ 7 It is ordered under the Legislation that trading cease in respect of each security of the Issuer.

¶ 8 Despite this order, a beneficial securityholder of the Issuer who is not, and was not at the date of this order, an insider or control person of the Issuer, may sell securities of the Issuer acquired before the date of this order if both of the following apply:

1. the sale is made through a "foreign organized regulated market", as defined in section 1.1 of the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; and

2. the sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation.

¶ 9 July 19, 2022

Jody-Ann Edman

Jody-Ann Edman, CPA, CA
Manager, Financial Reporting
Corporate Finance

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