

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Algernon Pharmaceuticals Inc. (“**AGN**” or the “**Company**”)
Suite 400 – 601 West Broadway
Vancouver, British Columbia
V5Z 4C2

Item 2. Date of Material Change

August 22, 2022

Item 3. News Release

News Release dated September 21, 2022 was disseminated through newswire services and filed on SEDAR.

Item 4. Summary of Material Change

The non-brokered private placement completed by the Company on August 22, 2022 resulted in a Dilutive Issuance (as defined below) and as a result, the exercise price of the warrants issued by the Company on July 4, 2022 in connection with a public offering completed on that date was reduced to \$3.75. Additionally, the number of shares issuable under each warrant has been increased such that the aggregate exercise price payable after taking into account the decrease in the exercise price shall be equal to the aggregate exercise price prior to the adjustment.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Changes were made to the warrants issued by the Company on July 4, 2022, pursuant to its public offering of units (the “**July 2022 Offering**”) as a result of the anti-dilution provisions contained in the warrants. The July 2022 Offering consisted of one common share and one warrant (a “**Warrant**”). Upon issuance, the Warrants were exercisable at a price of \$4.70 per Warrant and included anti-dilution provisions in the case of a down-round financing during the five-year term of the Warrants (a “**Dilutive Issuance**”) to reduce the exercise price of the Warrants and increase the number of shares issuable thereunder, if common shares are sold or issued for a consideration per share less than the Warrant exercise price (subject to certain exceptions).

On August 22, 2022, the Company closed a non-brokered private placement (the “**August 2022 Offering**”) in the amount of 373,900 units of the Company at a price of \$3.75 per unit. The August 2022 Offering resulted in a Dilutive Issuance and the exercise price of the Warrants issued in the July 2022 Offering has been reduced to \$3.75 per share and the number of shares issuable under each Warrant has been increased such that the aggregate exercise price payable after taking into

account the decrease in the exercise price shall be equal to the aggregate exercise price prior to the adjustment.

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

None.

Item 8. Executive Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

James Kinley, Chief Financial Officer
Telephone: 604.398.4175 ext 701

Item 9. Date of Report

September 21, 2022.