



**PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION
October 24, 2017**

ARCH BIOPARTNERS CLOSSES CONVERTIBLE NOTE FINANCING

Toronto, Canada - Arch Biopartners Inc., (“Arch” or the “Company”) (TSX Venture: ARCH and OTCBB: ACHFF), announced it has closed a non-brokered, unsecured convertible note (the “Note”) financing for gross proceeds of CAD \$500,000 (the “Offering”) on October 23, 2017.

The Note matures on October 31, 2020 and will be convertible, at the option of the holder, into common shares in the capital of the Company (“Common Shares”) at a price per Common Share of \$0.50, in the thirty-day period prior to maturity of the Note.

The Note bears simple interest of 5% per annum, which is payable in-kind by the Company with Common Shares to be issued at then market prices for the Common Shares and subject to TSX Venture Exchange (“TSXV”) approval in each instance.

The holder has the option until July 31, 2020 to extend the term of the Note another 2 years to October 31, 2022.

The Note is unsecured and transferable, subject to resale restrictions under applicable securities laws and regulatory requirements.

All securities issued in connection with the Offering are subject to a statutory hold period of four months commencing on the closing of the Offering.

The Company will use the proceeds to fund the first-in-human trial for AB569 which is scheduled to commence in January, 2018. AB569 is the Company’s inhalation drug candidate for treating antibiotic-resistant bacterial infections in the lungs of patients with chronic obstructive pulmonary disease or cystic fibrosis, as well as many other indications.

The Offering is subject to certain conditions including, but not limited to, the receipt of applicable regulatory approvals, including Final Approval of the TSXV, which previously granted Conditional Approval of the Offering. There were no finder's fees paid in connection with the Offering.

There is no material fact or material change about the Company that has not been generally disclosed.

About Arch Biopartners

Arch Biopartners Inc. is focused on the development of innovative technologies that have the potential to make a significant medical or commercial impact. Arch works closely with the scientific community,

universities and research institutions to advance and build the value of select preclinical technologies, develop the most promising intellectual property, and create value for its investors.

Arch has established a diverse portfolio that includes AB569, a potential new treatment for antibiotic resistant bacterial infections; Metablok, a potential treatment for inflammation, sepsis and cancer metastasis; MetaMx, which targets elusive brain tumor initiating cells; and, 'Borg' peptide coatings that increase corrosion resistance and decrease biofilm on various medical grade metals and plastics.

For more information on Arch Biopartners, its technologies and other public documents Arch has filed on SEDAR , please visit www.archbiopartners.com

The Company has 55,299,679 common shares outstanding.

For more information, please contact:

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Forward-Looking Statements

All statements, other than statements of historical fact, in this news release are forward looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of the Company. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

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.