Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Theralase Technologies Inc.
Suite 1240
70 York Street
Toronto, ON M5J 1S9

Item 2 Date of Material Change

May 19, 2005

Item 3 New Release

A Press Release, issued under section 7.1 of National Instrument 51-102, was disseminated by Market News Publishing on May 19, 2005. A copy of the Press Release is appended as Exhibit A.

Item 4 Summary of Material Change

The Company has announced that it will issue 5,164,454 Treasury shares pursuant to a profit performance target of $150,000 EBITDA earnings for the year following the November 30, 2003 closing of the business acquisition transaction entered into with closely-held Theralase Inc. of Markham, Ontario. The audited financial statements at November 30, 2004 reported EBITDA earnings of $157,046.

Item 5 Full Description of Material Change

The material change is fully described in the Press Release appended as Exhibit A.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable. No information has been omitted.

Item 8 Executive Officer

The executive officer of the Company knowledgeable about this Material Change Report is S. Donald Moore, President -- Telephone: 416-368-4440.

Item 9 Date of Report

The date of this Material Change Report is -- **May 19, 2005.**

Theralase™ Technologies Inc. *Photo-Dynamic Therapy*

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EXHIBIT "A"

PRESS RELEASE

FOR IMMEDIATE RELEASE:

SUBJECT: **Theralase Issues Treasury Shares on Meeting Profit Performance Target**

Toronto; 19 May 2005 -- **Theralase Technologies Inc. (TSXV/NEX:TLT.H & OTC BB: TLTFF)** reports that the Company will issue 5,164,454 Treasury shares pursuant to the profit performance target established in the acquisition agreement of April 8, 2003 with the shareholders of closely-held Theralase Inc. of Markham, Ontario. The transaction, which closed November 30, 2003, provided for the profit performance target of $150,000 EBITDA earnings for the year following the transaction closing. The audited financial statements at November 30, 2004 reported EBITDA earnings of $157,046.

The acquisition agreement further provides that the newly issued Treasury shares will be escrowed and subject to staged releases over a period of four years following receipt of the FDA approval for the U.S. marketing of Theralase medical devices. The initial release of escrowed shares will commence one year following receipt of the FDA approval.

Theralase Technologies Inc. designs, develops, manufactures and sells proprietary, innovative, higher-powered, super-pulsed therapeutic laser equipment for a wide range of applications in photo-dynamic medical therapy. The Theralase technology platform is employed in market-oriented applications in several diverse healthcare sectors -- firstly, for non-invasive pain management, control and therapy applied to treat musculo-skeletal arthritic and rheumatoidal disorders -- secondly, to bio-stimulate and accelerate wound care and healing, including bone fracture regeneration and for osteoporosis conditions -- and thirdly, applying proprietary photo-dynamic laser therapy to attack specially-targeted cancerous growths.

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For Further Information -- Contact:
S. Donald Moore, President
Phone: (416) 368-4440

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the contents of this release.