

FORM 51-102F3
Material Change Report

1. NAME AND ADDRESS OF COMPANY

Velan Inc. (the "Company")
7007 Côte de Liesse
Montréal (Québec) H4T 1G2

2. DATE OF MATERIAL CHANGE

January 13, 2015

3. PRESS RELEASE

A press release was issued on January 13, 2015 from Montréal, (Québec) and disseminated by Marketwired.

4. SUMMARY OF MATERIAL CHANGE

The Company announced the appointment of Yves Leduc, as President reporting to Tom Velan, Chief Executive Officer, formerly President and Chief Executive Officer.

5. FULL DESCRIPTION OF MATERIAL CHANGE

5.1 Full Description of Material Change

On January 13, 2015 the Company announced that Mr. Yves Leduc had been appointed President of the Company and that he will report to Tom Velan, CEO and formerly President. He will be joining Velan on January 26th, 2015.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

No significant facts remain confidential in, and no information has been omitted from this report.

8. EXECUTIVE OFFICER

For further information please contact Tom Velan at (514) 748-7743.

9. DATE OF THE REPORT

January 15, 2015