MATERIAL CHANGE REPORT

Form 27 - *Securities Act* (Ontario)
Form 27 - *Securities Act* (British Columbia)
Form 27 - *Securities Act* (Alberta)

1. **Reporting Issuer**

Novopharm Biotech Inc.
30 Novopharm Court
Toronto, Ontario
M1B 2K9

2. **Date of Material Change**

December 31, 1999

3. **Press Release**

The press release prescribed by section 75(1) of the *Securities Act* (Ontario) was issued on January 18, 2000.

4. **Summary of Material Change**

See 5, below.

Full Description of Material Change

1. Novopharm Biotech Inc. established a $2.5 million credit facility with Dan Family Holdings Inc.

2. Novopharm Limited exercised its option to convert all of its $15 million interest in Novopharm Biotech Partnership II into common shares of Novopharm Biotech Inc. In accordance with the agreement between the parties, Novopharm Limited received 17,441,860 Novopharm Biotech Inc. common shares at a price of $0.86 per common share.

5. **Reliance on Section 75(3) of the Act**

Not applicable.

6. **Omitted Information**

Not applicable.

7. **Senior Officers**

The senior officer of Novopharm Biotech Inc. who is knowledgeable about this material change is:

Richard Neale
Vice President Business Affairs and General Legal Counsel
(416) 291-8888 ext 5522

8. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated at Toronto, Ontario this 18th day of January, 2000.

Rick Neale

Richard Neale
Vice President Business Affairs and
General Legal Counsel