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

April 17, 2000

3. Press Release

The press release prescribed by section 75(1) of the *Securities Act* (Ontario) was issued on April 17, 2000.

4. Summary of Material Change

See 5, below.

5. Full Description of Material Change

Novopharm Biotech Inc. ("NBI") has completed the private placement with Dan Family Holdings Ltd. ("DFH") establishing ongoing funding for up to $12 million. DFH currently owns 77% of the issued and outstanding capital of NBI.

The principal terms of the transaction include:

- The first tranche of $5 million is an equity private placement investment. In consideration for this funding, DFH will receive 6,849,315 units ("Units") at a cost of $0.73 per Unit. Each Unit will consist of one Common Share of the Company and one-half common share purchase warrant ("Warrant"). Each Warrant has a term of two years and may be exercised by the holder at a price of $0.73 per share for the first year after closing and at a price of $1.50 per share for the second year after closing.

- The second tranche, subject to certain terms and conditions, will be in the form of a non-interest bearing credit facility to a maximum of $7 million and may be drawn down in increments of $1 million at any time during the six month period following August 31, 2000. The facility is convertible into debt units ("Debt Units") based on the weighted average price of the Company's Common Shares on the TSE for the ten days immediately preceding the date for each conversion. Each Debt Unit will consist of one Common Share of the Company and one-half common share purchase warrant ("Debt Warrant"). The exercise price for each Debt Warrant is the same price as the Debt Unit conversion price and each Debt Warrant will expire two years from the date of issuance. NBI may use the credit facility to finance discovery research and product development initiatives.

DFH currently owns approximately 77% of the issued and outstanding capital of NBI. Upon the closing of the first tranche of this transaction and assuming the full exercise of the Warrants, DFH will own approximately 78% of the issued and outstanding capital of NBI. Assuming the drawdown of the full amount under the credit facility in the second tranche and the conversion of the debt into Debt Units at a rate of $0.73 per Debt Unit and exercise of the Debt Warrants, DFH will own approximately 81% of the issued and outstanding capital of NBI.

The board of directors of NBI, other than those directors related to DFH, reviewed and approved the foregoing transactions.

6. Reliance on Section 75(3) of the Act

Not applicable.

7. Omitted Information

Not applicable.

8. 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

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated at Toronto, Ontario this 24th day of April, 2000.

"Richard Neale"
Richard Neale
Vice President Business Affairs and
General Legal Counsel