

Form 27

Securities Act

Material Change Report Under Section 118(1) of the Securities Act

CONFIDENTIAL – SECTION 118

I. FULL NAME: Reporting Issuer

Altachem Pharma Ltd.

II. ADDRESS OF PRINCIPAL OFFICE:

17215 108 Avenue NW
Edmonton, Alberta
T5S 1G2

III. DATE OF MATERIAL CHANGE:

June 22, 2000

IV. NEWS RELEASE:

June 22, 2000
BCE Emergis

V. SUMMARY OF MATERIAL CHANGE:

June 22, 2000

Warren Jackson, President and CEO of Altachem Pharma Ltd., is pleased to announce the appointment of JHB of Beijing, China as the exclusive distributor for the series of Rapid Test Screening Kits for China and other parts of Asia.

JHB is a privately owned company whose business scope includes research, development, manufacturing and sales of high technology medical products. Their sales and distribution include various medicines, medical instruments and diagnostic reagents. JHB's head office is located in Beijing, China with 31 sales offices throughout China and expanding into other parts of Asia.

With the economy and living standards in China rising very quickly, combined with the desire of the Chinese people to obtain the quality of life achieved in developed countries, JHB's market survey for the first two kits being registered indicates that in the next 4 years approximately 40 million people will utilize a screen test to detect early stages of health problems or disease. Upon positive results, the individual should consult a doctor or physician for more thorough testing and treatment.

The series of kits requires either a blood sample or urine sample but does not require nurses or technicians. Each kit is designed as a self-contained unit so expensive analytical equipment or laboratory work is not required. The tests show results in five to ten

minutes (depending on the test) and are very low cost, which makes them very attractive to the Asian market.

The accuracy of the Rapid Test Screening devices are among the highest when compared to other commercially available tests. With the low cost per unit, JHB is looking to pickup a strong percentage of the market potential.

Altachem Pharma Ltd. is also pleased to announce June 22, 2000 as the agreement date for a non-brokered private placement of 133,340 units of the corporation at a price of \$1.50 per unit, each unit consisting of one (1) common share of the corporation and one (1) warrant for an aggregate consideration of \$200,010 (the subscription price). The subscription price for each unit purchased shall be allocated \$1.50 to the common share and nil for the warrant.

Warrant means one or more than one warrant of the corporation, each warrant being non-transferable and entitling the holder thereof to purchase one (1) common share for \$1.50 for a period of two years from the closing date of this offer. The unit will have a 4 month escrow period. This private placement is subject to approval from the Canadian Venture Exchange.

VI. RELIANCE ON SECTION 118(2) OF THE SECURITIES ACT:

N/A

VII. OMITTED INFORMATION:

N/A

VIII. SENIOR OFFICERS:

NAME: Warren Jackson
BUSINESS PHONE: (780)448-1400

CONTACT NAME: Doug Jewell
BUSINESS PHONE: (780)448-1400

IX. STATEMENT OF SENIOR OFFICER:

The foregoing accurately discloses the material change referred to in this report.

June 22, 2000

Altachem Pharma Ltd.

IT IS AN OFFENCE UNDER THE *SECURITIES ACT* AND THE *SECURITIES REGULATION* FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.