ALBERTA, BRITISH COLUMBIA

Form 27 / BC FORM 53-901F

SECURITIES ACT

Material Change Report Under Section 146(1) of the Securities Act (Alberta), Section 85(1) of the Securities Act (British Columbia, and Section 151 of the Securities Rules (British Columbia)

ITEM 1: REPORTING ISSUER:

Altachem Pharma Ltd. ("Altachem")
17215 - 108 Avenue
Edmonton, Alberta T5S 1G2

ITEM 2: DATE OF MATERIAL CHANGE:

February 28, 2002

ITEM 3: NEWS RELEASE:

February 28, 2002 (Edmonton, Alberta)

ITEM 4: SUMMARY OF MATERIAL CHANGE:

EDMONTON, ALBERTA - Mr. Warren Jackson, President and CEO of Altachem Pharma Ltd. is pleased to announce the closing of an arm's length private placement of 8,540,242 units at a price of $1.20 per unit, for aggregate gross proceeds of $10,248,290.40 on February 28, 2002.

- Each unit consists of one (1) common share of the Corporation and one (1) warrant. Each warrant entitles the holder thereof to purchase one (1) common share of the Corporation at a price of $1.55, if the warrant is exercised within 12 months from the date of closing of this offer or $1.80, if the warrant is exercised after 12 months but before 18 months from the date of closing of this offer. The warrants are non-transferable. The closing date is February 28, 2002.

- The common shares issued will have a hold period of 12 months from the date of closing, which will expire on February 28, 2003. Any common shares issued upon exercise of the warrant component of the units will also have a hold period of 12 months from the date of closing, which will expire on February 28, 2003.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE:

Please see attached news release for full disclosure.

ITEM 6: RELIANCE ON SECTION 146(2) OF THE SECURITIES ACT (ALBERTA) AND EQUIVALENT SECTIONS OF OTHER JURISDICTIONS:

N/A

ITEM 7: OMITTED INFORMATION:

N/A

ITEM 8: SENIOR OFFICERS:

NAME: Warren Jackson
TITLE: President & CEO
BUSINESS PHONE: (780) 448-1400

NAME: Doug Jewell
TITLE: Vice President
BUSINESS PHONE: (780) 448-1400

ITEM 9: STATEMENT OF SENIOR OFFICER:

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

February 28, 2002
Date

Per:"Warren Jackson" ___________
Signature

Warren Jackson__________________
Name of Officer

President and CEO_______________
Title of Officer

Edmonton, Alberta_______________
Place

ALTACHEM PHARMA LTD.

Trading symbol: AAF: Canadian Venture Exchange

NEWS RELEASE
For Immediate Release
February 28, 2002

ALTACHEM PHARMA LTD. COMPLETES A $10,000,000 PRIVATE PLACEMENT

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Altachem Pharma hired a consulting firm to assist with the necessary translation, due diligence process and guidance on conducting business in Korea for 438,825 units at a value of $1.20 per unit which have the same conditions as stated above.

The proceeds from this private placement will be primarily used to conduct pre-clinical studies, GMP manufacturing of Hypocrellin-based products for cancer applications, human clinical trials and conducting business as per Altachem Pharma's corporate plans.

The Corporation has received conditional approval of this placement from the Canadian Venture Exchange ("CDNX"). Final acceptance is subject to the Corporation filing additional documentation as required by the CDNX.

Altachem Pharma Ltd. is a publicly traded (CDNX:AAF), Alberta-based pharmaceutical company committed to the development and commercialization of new pharmaceutical products to enrich and prolong the lives of people. The Corporation is developing a multi-tiered, integrated approach for the treatment of HIV/AIDS and Cancer. The lead products of the Corporation are based on its two proprietary drugs: HIP and HB. The Corporation's manufacturing facility is certified compliant with internationally recognized quality systems standards, ISO 9002:1994, ISO 13488:1996 and EN 46002:1997.

For additional information, contact:
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