

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)**

1. Reporting Issuer

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

2. Date of Material Change

September 11, 2003

3. Press Release

Altachem Pharma issued a press release, the text of which is attached hereto as
Schedule "A", on September 23, 2003

4. Summary of Material Change

Altachem Pharma has entered into a memorandum of understanding to purchase the
office and manufacturing buildings (totaling 43,960 sq. ft.), less the land in Shanghai,
China.

5. Full Description of Material Change

Please see attached news release for full disclosure.

6. Reliance on Confidentiality Provisions of the Acts

Not applicable

7. Omitted Information

None

8. Senior Officer

The name and business telephone number of a senior officer of Altachem Pharma who is
knowledgeable about this material change and this report and who may be contacted in
connection with this report is:

Warren Cabral, B.Comm., C.A.
Chief Financial Officer
Altachem Pharma Ltd.
17215 108 Avenue
Edmonton, Alberta T5S 1G2

Telephone: (780) 486-8331 Ext. 328

9. Statement of Senior Officer

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

DATED at Edmonton, Alberta, effective this 23rd day of September, 2003.

ALTACHEM PHARMA LTD.

"Warren Cabral"

Warren Cabral, B.Comm., C.A.
Chief Financial Officer

SCHEDULE "A"

Altachem Pharma Ltd.

Trading Symbol: AAF:TSX Venture Exchange

FOR IMMEDIATE RELEASE

September 23, 2003

ALTACHEM PHARMA LTD. PURCHASES SHANGHAI OFFICE AND MANUFACTURING FACILITY

EDMONTON, ALBERTA – Mr. Warren Jackson, President and CEO of Altachem Pharma Ltd., is pleased to announce that after:

1. Independent test results have shown that Bionex disinfectant is effective against the Corona virus and Polio virus; and
2. A positive evaluation of the economics of adding a production line in the Shanghai manufacturing facility to produce Bionex as a high level disinfectant,

Altachem has entered into a memorandum of understanding to purchase the office and manufacturing buildings (totaling 43,960 sq. ft.), less the land, in Shanghai, China.

“Purchasing the facility will be a strong benefit for the Altachem shareholders for moving production ahead as well as providing equity as opposed to lease payments,” states Mr. Jackson. Ownership of the Shanghai facility will ensure Altachem can manufacture and supply sufficient quantities of Bionex for local sales in China and for export to North America while controlling manufacturing costs. Mr. Jackson also states, “Preliminary market analyses indicate a high level of interest for Bionex as a high level disinfectant. Initial estimates indicate manufacturing capacity of 10 million litres per year of Bionex disinfectant.”

The purchase will be completed by Altachem’s wholly owned subsidiary Shanghai Hua Gao Pharmaceutical Pellet Core Co. The purchase price of US \$1,026,000 will be paid over a five year period as follows: US \$60,400 in 2003, US \$120,800 in 2004, US \$241,600 in 2005, US \$241,600 in 2006 and US \$362,450 in 2007.

Independent test results show that Bionex disinfectant is effective against the Corona virus and Polio virus. The Corona virus is proved as the causative pathogen for the SARS outbreak. The results from “Polio virus killing test” indicate that Bionex disinfectant can kill both non-enveloped and enveloped viruses, including Norwalk virus, Hepatitis A, Hepatitis B, Hepatitis C, HIV, Herpes Simplex and West Nile viruses etc. Altachem is in the process of obtaining regulatory approval to sell Bionex as a high level disinfectant for various applications in the hospital and healthcare settings, such as disinfection of operating rooms, equipment, devices and industrial applications.

Bionex, a revolutionary product for the potential use in various disinfectant products and potentially inactivates HIV, hepatitis B and C, Herpes and other pathogens in blood products is exclusively licensed to Beijing Altachem Pharma Biotechnology Ltd.

Altachem Pharma Ltd. is a publicly traded (TSX Venture Exchange: AAF), Alberta-based pharmaceutical company committed to the development and commercialization of new pharmaceutical products. The Corporation is developing a multi-tiered, integrated approach for the treatment of HIV/AIDS and cancer using non-toxic therapeutic products and adjunct therapies. The lead products of the Corporation are based on its two proprietary drugs: ACP-HIP and HB. The Corporation's manufacturing facilities located in Edmonton, Alberta and Shanghai, China are certified compliant with internationally recognized quality systems standards.

For additional information, contact:

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Certain information contained in this press release may be forward-looking and is subject to unknown risks and uncertainties. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove correct. This is neither an offer to buy or sell a security. For informational purposes only, from sources deemed to be reliable.

“TSX Venture Exchange has neither approved nor disapproved of the information contained herein.”