

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)
9411 20 Avenue
Edmonton, Alberta
T6N 1E5

2. Date of Material Change

January 23, 2004

3. Press Release

Altachem Pharma issued a press release, the text of which is attached hereto as
Schedule "A", on January 23, 2004

4. Summary of Material Change

Mark Komonoski has declined to accept his appointment as an independent Director.

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.
9411 20 Avenue
Edmonton, Alberta T6N 1E5

Telephone: (780) 448-1400 Ext. 209

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 January, 2004.

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

January 23, 2004

CORPORATE UPDATE

EDMONTON, ALBERTA – Mr. Warren Jackson, President and CEO of Altachem Pharma Ltd. is pleased to introduce Altachem's new director, Andrew Boddy. Mr. Boddy comes to Altachem with a background in mechanical engineering. The majority of his formal education was received in England prior to his emigration to Canada in 1981. He has spent the past 20 years developing a very successful energy services business with annual turnovers in excess of \$40 million and 400 employees. This demanded skills in team building and responsible fiscal control and delegation including continual process auditing. The business was recently sold and now operates as part of a large successful public company.

Mr. Boddy's appointment to the Board of Directors was announced on December 22, 2003.

In addition, Mark Komonoski has declined to accept his appointment as an independent Director.

"Altachem is continuing its mandate to meet the 2004 new securities rules which are expected to be implemented in Canada and the 'Sarbanes Oxley Act' in the United States by strengthening our Board of Directors," states Mr. Jackson.

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 four proprietary drugs: ACP-HIP, HB Injectable(ACPSL-017), HB Topical and ACP 2127. 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."