

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1 Name and Address of Company:

Altachem Pharma Ltd. (“Altachem”)
9411 – 20 Avenue
Edmonton, Alberta T6N 1E5

ITEM 2 Date of Material Change: January 18, 2005

ITEM 3 News Release: Disseminated on January 18, 2005 through Canada NewsWire.

ITEM 4 Summary of Material Change:

Dr. David J. Cox has been appointed the President and Chief Executive Officer, and a Director of Altachem effective February 1, 2005. Warren Cabral resigned as Chief Financial Officer of Altachem and Pierre Vermette was appointed Chief Financial Officer.

ITEM 5 Full Description of Material Change:

The Board of Directors of Altachem has appointed Dr. David J. Cox the President and Chief Executive Officer of Altachem effective February 1, 2005. Dr. Cox has also been appointed to the Board of Directors of Altachem effective February 1, 2005. Altachem has agreed to grant Dr. Cox stock options to acquire an aggregate of 800,000 common shares of Altachem, one-third of which will vest annually over a period of three years of employment.

Warren Cabral resigned as the Chief Financial Officer of Altachem and Pierre Vermette was appointed Chief Financial Officer of Altachem, effective immediately.

ITEM 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102: N/A

ITEM 7 Omitted Information: N/A

ITEM 8 Executive Officer:

Dr. Selvaraj Naicker, Interim Chief Operating Officer - (780)448-1400 ext. 223

ITEM 9 Date of Report: January 18, 2005