FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

ARIUS Research Inc. (**"ARIUS"** or the **"Company"**)
15th Floor
55 York Street
Toronto, Ontario M5J 1R7

Item 2 Date of Material Change

November 17, 2006

Item 3 News Release

See attached, as Schedule "A", a copy of the news release disseminated through Canada Newswire on November 17, 2006.

Item 4 Summary of Material Change

ARIUS announced that, effective November 30, 2006, the expiry date of 2,224,125 common share purchase warrants (the "**Warrants**") issued to Xmark Opportunity Fund, Ltd., Xmark JV Investment Partners, LLC and Xmark Opportunity Fund, L.P. (collectively, **"Xmark"**) will be extended from December 12, 2007 to December 31, 2008. In addition, ARIUS announced that Xmark and ARIUS have agreed to the early repayment of a US$2,000,000 convertible bridge loan facility (the **"Loan Facility"**) from Xmark. ARIUS intends to pay the principal amount of the Loan Facility in cash, and to repay the amount of accrued and unpaid interest on the Loan Facility by issuing common shares of ARIUS ("**Common Shares**") to Xmark.

Item 5 Full Description of Material Change

ARIUS announced that, effective November 30, 2006, the expiry date of 2,224,125 Warrants issued to Xmark will be extended from December 12, 2007 to December 31, 2008. In addition, ARIUS announced that Xmark and ARIUS have agreed to the early repayment of the Loan Facility from Xmark. ARIUS intends to pay the principal amount of the Loan Facility in cash, and to repay the amount of accrued and unpaid interest on the Loan Facility by issuing Common Shares to Xmark.

The Warrants were issued pursuant to a credit agreement (the "**Credit Agreement**") dated December 9, 2005 between ARIUS and Xmark whereby Xmark provided to ARIUS the Loan Facility. The Loan Facility is convertible into Common Shares at a price of Cdn$0.80 per share at any time on or before December 14, 2007 and bears an annual interest rate of 13.25% which is payable in cash or Common Shares at the option of ARIUS. The Credit Agreement does not provide the Company with the right to prepay the Loan Facility prior to its maturity and the Loan Facility is secured by a first fixed and floating charge on all of the assets of the Company and its subsidiaries.

Under the terms of the Credit Agreement, ARIUS paid an upfront structuring fee and has issued to Xmark 2,224,125 Warrants. Each Warrant entitles Xmark to purchase one Common Share at a price of $1.00 per share for a period of 24 months from the closing of the Credit Agreement.

ARIUS and Xmark have agreed that, subject to an extension of the expiry date of the Warrants to December 31, 2008, ARIUS will be permitted to redeem the Loan Facility. Upon the extension of the Warrants on November 30, 2006, the Company intends to repay the Loan Facility. ARIUS intends to pay the principal amount of the Loan Facility in cash, and to repay the amount of accrued and unpaid interest on the Loan Facility by issuing Common Shares to Xmark. The number of Common Shares to be so issued will be based on the volume weighted average price for the 5-day trading period immediately prior to the date on which the Loan Facility is repaid. As of November 30, 2006, the amount of accrued and unpaid interest owing to Xmark under the Loan Facility will be approximately US$123,000.

Until the new expiry date of the Warrants, Xmark will have the right to demand that ARIUS use its best efforts to obtain all necessary regulatory approvals to extend the expiry of the Warrants to a date and time selected by Xmark, provided that such date may not be later than December 12, 2010.

The Toronto Stock Exchange (the "**TSX**") has conditionally accepted the proposed amendment to the term of the Warrants subject to certain conditions including the approval of a majority of disinterested shareholders (i.e., those shareholders other than Xmark) for such amendment to extend. Approval of a majority of disinterested shareholders for such extension has been received.

Under Ontario Securities Commission Rule 61-501 – Insider Bids, Issuer Bids, Business Combinations and Related-Party Transactions ("**OSC Rule 61-501**") the extension of the expiration of the Warrants and the issuance of Common Shares to Xmark each constitute a "related party transaction". Xmark is a "related party" in respect to the Company since Xmark owns more than 10% of the outstanding Common Shares. The Company has determined that (i) the value of the repayment of the Loan Facility represents not more than 25% of the Company's market capitalization as at October 31, 2006, and (ii) the value of the Common Shares to be issued to Xmark in satisfaction of the interest portion of the Loan Facility represent not more than 25% of the Company's market capitalization as of October 31, 2006. Accordingly, the Company is relying on the market capitalization exemptions from the formal valuation and minority shareholder approval requirements under OSC Rule 61-501 in respect of both the extension of the Warrants and the issuance of Common Shares to Xmark.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Further information can be obtained from Dr. David S. Young, President and Chief Executive Officer.

Item 9 Date of Report

November 27, 2006

Schedule "A"
Press Release

FOR IMMEDIATE RELEASE

ARIUS RESEARCH ANNOUNCES EXTENSION OF WARRANTS AND EARLY REPAYMENT OF LOAN FACILITY WITH XMARK

Toronto, Ontario – November 17, 2006: -- ARIUS Research Inc. ("ARIUS" or the "Company") (TSX: ARI), wishes to announce that effective November 30, 2006, the expiry date of 2,224,125 common share purchase warrants (the "Warrants") issued to Xmark Opportunity Fund, Ltd. Xmark JV Investment Partners, LLC, and Xmark Opportunity Fund, L.P. (collectively, "Xmark") will be extended from December 12, 2007 to December 31, 2008.

The Warrants were issued pursuant to a credit agreement (the "Credit Agreement") dated December 9, 2005 between ARIUS and Xmark whereby Xmark provided to ARIUS a convertible bridge loan facility in the amount of US$2,000,000 (the "Loan Facility"). The Loan Facility is convertible into common shares of ARIUS ("Common Shares") at a price of Cdn$0.80 per share at any time on or before December 14, 2007 and bears an annual interest rate of 13.25% which is payable in cash or Common Shares at the option of ARIUS. The Credit Agreement does not provide the Company with the right to prepay the Loan Facility prior to its maturity.

ARIUS and Xmark have agreed that, subject to an extension of the expiry date of the Warrants to December 31, 2008, ARIUS will be permitted to redeem the Loan Facility. Upon the extension of the Warrants on November 30, 2006, the Company intends to repay the Loan Facility. ARIUS intends to pay the principal amount of the Loan Facility in cash, and to repay the amount of accrued and unpaid interest on the Loan Facility by issuing Common Shares to Xmark. The number of Common Shares to be so issued will be based on the volume weighted average price for the 5-day trading period immediately prior to the date on which the Loan Facility is repaid. As of November 30, 2006, the amount of accrued and unpaid interest owing to Xmark under the Loan Facility will be approximately US$123,000.

"The repayment of this loan is in the best interests of ARIUS given the high interest rate" said Dr. David S. Young, President and Chief Executive Officer of ARIUS.

The Toronto Stock Exchange (the "TSX") has conditionally accepted the proposed amendment to the term of the Warrants subject to certain conditions including the approval of a majority of disinterested shareholders (i.e., those shareholders other than Xmark) for such amendment to extend. Approval of a majority of disinterested shareholders for such extension has been received.

Under Ontario Securities Commission Rule 61-501 – Insider Bids, Issuer Bids, Business Combinations and Related-Party Transactions ("OSC Rule 61-501") the extension of the expiration of the Warrants and the issuance of Common Shares to Xmark each constitute a "related party transaction". Xmark is a "related party" in respect to the Company since Xmark owns more than 10% of the outstanding Common Shares of the Company. The Company has determined that (i) the value of the repayment of the Loan Facility represents not more than 25% of the Company's market capitalization as at October 31, 2006, and (ii) the value of the Common Shares to be issued to Xmark in satisfaction of the interest portion of the Loan Facility represent not more than 25% of the Company's market capitalization as of October 31, 2006. Accordingly, the Company is relying on the market capitalization exemptions from the formal valuation and minority shareholder approval requirements under OSC Rule 61-501 in respect of both the extension of the expiration of the Warrants and the issuance of Common Shares to Xmark.

About ARIUS

ARIUS Research Inc. is a biotechnology company dedicated to personalizing cancer therapy through the discovery and development of novel anticancer monoclonal antibodies (MAbs). Established in 1999, ARIUS has built a proprietary technology platform, FunctionFIRST™, that rapidly identifies powerful MAbs targeting a variety of cancer indications. This antibody generation engine has enabled ARIUS to assemble a growing pipeline, which is used for commercial collaborations and in-house development. ARIUS has ongoing partnerships with key biotechnology and drug development companies. The company is listed on the TSX under the symbol "ARI".

For further information, visit www.ariusresearch.com or contact:

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President and Chief Executive Officer
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Forward-Looking Statement

Certain statements in this news release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Forward-looking statements in this release include, but are not limited to, ARIUS successfully advancing its new product programs as well as licensing opportunities. These statements are only predictions and actual events or results may differ materially. Factors that could cause such actual events or results expressed or implied by such forward-looking statements to differ materially from any future results expressed or implied by such statements include, but are not limited to: early stage of development; technology and product development; dependence on and management of current and future corporate collaborations; future capital needs; uncertainty of additional funding; no assurance of market acceptance; dependence on proprietary technology and uncertainty of patent protection; intense competition; manufacturing *and market uncertainties; and government regulation. These and other factors are described in detail in ARIUS' Annual Report, forthcoming news releases and other filings with Canadian securities regulatory authorities available at* www.sedar.com. *Forward-looking statements are based on our current expectations and ARIUS is not obligated to update such information to reflect later events or*