

**FORM 51-102F3**  
**Material Change Report**

**Item 1           Name and Address of Company**

Chemaphor Inc. (the "Company")  
100 Sussex Drive  
Ottawa, Ontario K1A 0R6

**Item 2           Date of Material Change**

December 7, 2006

**Item 3           News Release**

December 8, 2006, attached as Schedule "A"

**Item 4           Summary of Material Change**

The Company reached a collaborative research, license and commercialization agreement with Elanco Animal Health, a division of Eli Lilly and Company to license its OxBC product technology.

**Item 5           Full Description of Material Change**

See Press Release attached as Schedule "A".

**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. Graham Burton, the Company's Chief Executive Officer, is knowledgeable about the material change and this report. His business telephone number is (613) 990-0969.

**Item 9           Date of Report**

December 8, 2006

## SCHEDULE "A"

### FOR IMMEDIATE RELEASE

**Listing:** TSX Venture Exchange  
**Symbol:** CFR

### **Chemaphor Announces OxBC Development and Commercialization Agreement with Elanco Animal Health Division of Eli Lilly and Company**

**OTTAWA, CANADA, December 8, 2006.** Chemaphor Inc., a biotechnology research and development company announced today that it has reached a collaborative research, license and commercialization agreement with Elanco Animal Health ("Elanco"), a division of Eli Lilly and Company (NYSE:LLY) to license its OxBC product technology ("OxBC"). The agreement establishes the framework for Chemaphor and Elanco to develop and potentially commercialize products for use in poultry and other food animal species using OxBC technology. Under the agreement, Chemaphor may receive technology access fees, regulatory milestone payments and royalties from OxBC sales.

"We are very pleased to have reached this agreement with Elanco, a leading global animal health care products company" said Graham Burton, President and Chief Executive Officer of Chemaphor. "This represents a major achievement for Chemaphor in its plan to commercialize products from its platform of oxidized carotenoid compounds. To attract a world class, industry-leading organization to join us in our pursuit of the successful commercialization of OxBC as a non-antibiotic product for improving growth and feed efficiency in food animals demonstrates the underlying value of the Chemaphor technology and gives OxBC the best chance for success. We are excited to work very closely with the Elanco team to achieve this goal."

#### *About Chemaphor*

Chemaphor Inc. ([www.chemaphor.com](http://www.chemaphor.com)) uses its core expertise in organic chemistry to develop premium products for the animal health, skin care cosmetics, pharmaceutical and specialty chemical markets. The Company's focus is on two proprietary products, a non pharmaceutical product OxBC and a lead cancer drug compound OCL-1. Chemaphor's goal is to fully exploit its proprietary platform of carotenoid oxidation compounds by finding recognized partners to commercialize its products in multiple, large markets.

#### **Forward-looking statements**

*This news release contains forward-looking information. These statements relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management of Chemaphor Inc. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. These forward-looking statements are made as of the date hereof and Chemaphor Inc. does not assume any obligation to update or revise them to*

*reflect new events or circumstances. (The TSX-Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.)*

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**Chemaphor Inc.**

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