Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

PACGEN BIOPHARMACEUTICALS CORPORATION
Suite 1730, One Bentall Centre
505 Burrard Street
Vancouver, BC V7X 1M6
(the "Corporation")

Item 2 Date of Material Change

April 28, 2009.

Item 3 News Release

The press release reporting the material change was disseminated on April 28, 2009 through the facilities of Marketwire L.P.

Item 4 Summary of Material Change

The Corporation announced on April 28, 2009 that it has signed a letter of intent pursuant to which it will negotiate an agreement to acquire XPhase Pharmaceuticals Inc. ("XPhase").

Item 5 Full Description of Material Change

The Corporation announced on April 28, 2009 that, as part of its restructure process, it has signed a letter of intent pursuant to which it will negotiate an agreement to acquire XPhase, a privately held pharmaceutical company based in Toronto, Canada.

XPhase is a pharmaceutical company focused on the early commercial development of novel therapeutic drug candidates to feed the drying product development pipelines of the global pharmaceuticals industry. XPhase identifies innovative therapeutic drug candidates globally, and develops these candidates up to Phase II human proof of concept, in accordance to the US Food and Drug Administration regulatory standards. XPhase currently has the right to acquire the exclusive global rights, excluding China, of AF-05, a novel anti-anxiety drug candidate. XPhase also provides consulting and project management services to assist small to medium pharmaceutical and biotechnology companies around the world.

Pursuant to the proposed transaction, the Corporation will issue 3 million of its common shares to XPhase shareholders. The Corporation will receive 100%

equity ownership of XPhase and management services of XPhase principals. Upon the achievement of certain pre-defined business development milestones, XPhase shareholders will be entitled to an additional 3.5 million common shares of the Corporation.

The terms of the proposed transaction contemplate that upon closing, certain of the XPhase principals will join the senior management of the Corporation, and the parties currently intend that Dr. Yiu Chung Lee will be appointed as the Chief Executive Officer of the Corporation, subject to regulatory approval. Dr. Lee is an experienced entrepreneur with more than 20 years of pharmaceutical development experience earned in various settings, including pharmaceutical company, biotechnology company as well as contract research organization. Prior to co-founding XPhase, Dr. Lee was previously with Eli Lilly and Company, Patheon Inc. and PharmLink Inc.

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

For further information, contact:
Christina Yip
Chief Financial Officer
Telephone: (604) 629-3383
Email: cyip@pacgenbiopharm.com

Item 9 Date of Report

May 4, 2009.

PACGEN BIOPHARMACEUTICALS CORPORATION

Per: *"Christina Yip"*

Christina Yip
Chief Financial Officer