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

August 11, 2009.

Item 3 News Release

The press release reporting the material change was disseminated on August 13, 2009 through the facilities of Marketwire L.P.

Item 4 Summary of Material Change

The Corporation announced on August 13, 2009 that it has recently closed the previously announced acquisition of Xphase Pharmaceuticals Inc. ("Xphase") following the approval of the TSX Venture Exchange. The Corporation also announced the grant of options to its officers and consultants.

Item 5 Full Description of Material Change

The Corporation announced on August 13, 2009 that it has recently closed the previously announced acquisition of Xphase following the approval of the TSX Venture Exchange. Further details regarding the transaction can be found in the Corporation's press release dated June 8, 2009.

Pursuant to a share purchase agreement entered among the Corporation, Xphase and its shareholders, the Corporation has issued 3 million common shares to the shareholders of Xphase in exchange for 100% ownership of Xphase as well as the management services of certain Xphase principals. Upon the achievement of certain pre-defined business development milestones, the shareholders of Xphase will be entitled to an additional 3.5 million common shares of the Corporation.

Following the completion of acquisition of Xphase, the Corporation has appointed Dr. Yiu Chung Lee and Mr. Fred Huang as directors. The board of directors of the Corporation now consists of Mr. Chung-Yu Wang (Chairman), Mr. Kevin McGarry, Dr. Alan Moore, Dr. Telvin Ju, Mr. Tsong Chin Lin, Dr. Lee and Mr.

Huang. The new management of the Corporation, as previously announced, now consists of the following individuals:

Dr. Yiu Chung Lee as Chief Executive Officer;
Ms. Christina Yip as Chief Financial Officer;
Dr. Beverly Incledon as Vice President, Research and Development;
Mr. Joel Cheng as Vice President, Business Development;
Dr. Lewis Choi as Vice President, Intellectual Properties and Scientific Affairs;
Mr. Gabriel Lam as Senior Director, Greater China Operations

The Corporation also announced the grant of options to its officers and consultants to purchase 1,910,000 common shares of the Corporation at $0.10 per share. The options granted to executive officers and vice presidents to acquire 1,590,000 common shares vest immediately and expire on July 28, 2014. The remaining new options to acquire 320,000 common shares until July 28, 2017 were granted to other consultants in accordance with their consulting agreements.

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

August 13, 2009.

PACGEN BIOPHARMACEUTICALS CORPORATION

Per: *"Christina Yip"*

Christina Yip
Chief Financial Officer