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 30, 2010.

Item 3 News Release

The press release reporting the material change was disseminated on August 30, 2010 through the facilities of Marketwire L.P.

Item 4 Summary of Material Change

The Corporation announced on August 30, 2010 its financial results for the first quarter ended June 30, 2010.

Item 5 Full Description of Material Change

Please refer to the attached press release for full description of the material changes.

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) 436-4388
Email: cyip@pacgenbiopharm.com

Item 9 Date of Report

September 24, 2010.

PACGEN BIOPHARMACEUTICALS CORPORATION

Per: *"Christina Yip"*
_____
Christina Yip
Chief Financial Officer

PACGEN Biopharmaceuticals Corporation

FOR IMMEDIATE RELEASE **TSX-V: PGA**

PACGEN REPORTS FIRST QUARTER FINANCIAL RESULTS

Vancouver, BC, Canada (August 30, 2010) – Pacgen Biopharmaceuticals Corporation ("Pacgen" or the "Company") (TSX-V: PGA) reported financial results from its first quarter ended June 30, 2010 ("Q1 2011"). Unless specified otherwise, amounts are expressed in Canadian dollars and in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

Results of Operations

The Company recorded a net income of $340,969 ($0.01 per common share) for Q1 2011, compared to a net loss of $209,003 ($0.01 per common share) for quarter ended June 30, 2009 ("Q1 2010"). The net income in Q1 2011 was primarily due to the Company's financing restructuring efforts. Following its negotiations in connection with its financial restructuring, the Company recovered $516,306 of its previous operating expenditures through cash payment discounts and debt forgiveness. These expense recoveries and credits consist of $465,196 and $51,110 of recoveries in research and development expenditures and general and administration, respectively.

Excluding the non-recurring expense recoveries and credits, operating expenses for Q1 2011 was $157,265 as compared to $185,068 for Q1 2010. The decline in operating expenses was primarily due to a reduction in stock based compensation in Q1 2011, as compared to those in Q1 2010. Other losses for Q1 2011 were $18,072, compared to $23,935 in Q1 2010. The decline in other losses was primarily due to an increase in interest and other income and a decrease in financing and interest expenses. These favorable variances in other losses were partially offset by an increase in foreign exchange loss.

Capital Position

As of June 30, 2010, the Company had a working capital of $9,812 as compared to a working capital deficiency of $2,112,280 at March 31, 2010. Excluding indebtedness under financial restructuring of $116,819 as of June 30, 2010, working capital was $126,631. The Company has completed substantially all of its negotiations under the previously disclosed financing restructuring, which involves restructuring of approximately $2.3 million of indebtedness and commitments (the "Financial Restructuring"). Of the indebtedness under the Financial Restructuring, $116,819 was pending share issuance, share conversion or settlement finalization as of June 30, 2010. Management estimates that the adjusted working capital should be sufficient to finance the Company's core business operations and financial obligations over the next fiscal year. However, these funding requirements may change.

As of August 23, 2010, there were 41,690,494 common shares issued and outstanding, 2,311,367 common share purchase warrants outstanding at a weighted average exercise price of $0.60 per common share, and 1,405,000 incentive stock options outstanding at a weighted average exercise price of $0.86.

For complete financial results, please see the Company's filings at www.sedar.com.

About Pacgen

Pacgen is a life science technology transfer company focused on the commercial development of novel therapeutic drug candidates up to Phase II, proof of concept efficacy in human. Pacgen sources innovative therapeutic drug candidates globally, and develops these drug candidates in accordance to the United States Food and Drug Administration regulatory standards to feed the product development pipelines of the pharmaceuticals industry. Pacgen's technology portfolio is composed of PAC-113, an anti-fungal for the treatment of oral Candidiasis, and PAC-G31P, a novel peptide therapeutic designed to treat inflammatory diseases characterized by non-beneficial neutrophil.

PAC-113 is a 12 amino-acid antimicrobial peptide derived from a naturally occurring histatin protein found in human saliva. This peptide alters the permeability of fungal cell membranes causing cell death. In June 2008, Pacgen announced positive results from its Phase IIb clinical trial demonstrating that PAC-113 is effective in the treatment of oral Candidiasis and compares favourably to the efficacy demonstrated by Nystatin, a current standard of care. PAC-G31P is a small recombinant protein that is a synthetic analogue of the human cytokine called Interleukin-8 which is the key chemokine involved in neutrophil recruitment. PAC-G31P is currently being investigated in preclinical studies for its potential to treat inflammatory diseases characterized by non-beneficial neutrophil. For additional information, please visit www.pacgenbiopharm.com.

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE CONTENT OF THIS RELEASE. THE TSX VENTURE EXCHANGE DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Forward looking Statements

Certain statements included in this press release may be considered forward-looking. Statements relating to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, market acceptance and future commitments constitute forward-looking statements. All forward-looking statements are based on Pacgen's current beliefs and expectations as well as assumptions relating to the successful completion of its clinical trials and pre-clinical studies, the time and process required to obtain regulatory approval for commercialization of its product, the ability of Pacgen to raise additional capital in future on favourable terms, the impact of competitive products and pricing in the market, new product development, and the successful and timely completion of corporate collaborations or licensing arrangements for its research programs. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those implied by such statements, and therefore these statements should not be read as guarantees of future performance or results. Such factors include, among others, our stage of development, lack of product revenues, additional capital requirements, risk associated with completion of clinical trials and obtaining regulatory approval, dependence on collaborative partners, and our ability to protect our intellectual property.

Wherever possible, words such as "anticipate", "believe", "expect", "may", "could", "will", "potential", "intend", "estimate", "should", "plan", "predict", "project" or the negative or other variations of such expressions reflect Pacgen's current beliefs and assumptions and are based on the information currently available to Pacgen. Certain risks and uncertainties, including those risk factors identified by Pacgen in its annual management's discussion and analysis dated July 19, 2010 and annual information form dated July 31, 2008, may cause our actual results, level of activity, performance or achievements to differ materially from those implied by forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which are made only as of the date of this press release. Pacgen disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. For all forward-looking statements, Pacgen claims the safe harbour for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

-30-

For further information contact:

Yiu Chung Lee
Chief Executive Officer
Tel: 416-805-8573
Email: yclee@pacgenbiopharm.com

Christina Yip
Chief Financial Officer
Tel: 604-436-4388
Email: cyip@pacgenbiopharm.com