FORM 51–102F3

MATERIAL CHANGE REPORT

UNDER NATIONAL INSTRUMENT 51-102

Item 1 Name and Address of Company

Crailar Technologies Inc. (the "Company") ("CRAiLAR")
Suite 305 - 4420 Chatterton Way
Victoria, British Columbia V8X 5J2

Item 2 Date of Material Change

December 24, 2013.

Item 3 News Release

A news release was issued by the Company on December 24, 2013 and distributed through Canadian Newswire.

Item 4 Summary of Material Change

The Company closes both a CAD$3.2 million loan financing with IKEA and a CAD$2.0 million private placement financing with Hydra Ventures B.V.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced the closing of its previously announced CAD$3.2 million loan financing with IKEA ("Loan). The term of the Loan is 30 months, bears interest at 1.9% fixed rate and is designated for the installation of equipment to support and expand CRAiLAR's European production facility and working capital for IKEA orders. The Loan is to be secured by certain assets to be purchased with the proceeds as well as a portion of the secured assets used to originally secure the Company's July 26, 2013 10% secured, subordinated, convertible debentures (the "Debentures").

In conjunction with the completion of the Loan, the Company and its present Debenture holders have agreed to amend, in exchange for the release of certain secured assets, the conversion terms of the Debentures; in the principal amount of $3,535,000; such that, at the Debenture holders' option, the Debentures may now be converted into common shares in the capital of the Company at $1.25 instead of $2.00 per Share.

In conjunction with the completion of the Loan, the Company has now closed upon its previously announced CAD$2.0 million private placement investment (the "Private Placement") with Hydra Ventures B.V. ("Hydra Ventures"), the corporate venture arm of the adidas Group (FRA: ADS). Hydra Ventures has been issued an aggregate of 3,333,333 units of the Company (each a “Unit”), at a subscription price of CAD$0.60 per Unit, with each Unit being comprised of one common share and one common share purchase warrant (each a “Warrant”) of the Company, and with each Warrant being exercisable for a period of five years from the date of closing at an exercise price of CAD$0.70 per Warrant common share. The proceeds from the Private Placement will be utilized for general corporate and working capital purposes.

In conjunction with the completion of the Private Placement certain Company creditors have agreed to extend the term of their current loans to the Company and, in consideration thereof, one such Company creditor and director will receive an aggregate of 187,878 bonus common shares of the Company, at a deemed issuance price of CAD$0.60 per common share, for such extension.

Each of the proposed reduction in Debenture conversion price and bonus share issuance is still subject to prior TSX Venture Exchange approval prior to the completion thereof.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51–102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Guy Prevost, Corporate Controller and Compliance Officer
Suite 305 – 4420 Chatterton Way, Victoria, BC V8X 5J2
Telephone: (250) 658-8582.

Item 9 Date of Report

January 2, 2013.