

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

February 24, 2014.

Item 3 News Release

A news release was issued by the Company on February 24, 2014 and distributed through Canadian Newswire.

Item 4 Summary of Material Change

The Company adds Hemp Fiber to global product offering. Miljenko Horvat resigns from board of directors.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that it has begun the production of CRAiLAR® Hemp fiber alongside its award winning CRAiLAR® Flax production in Europe. CRAiLAR's current customer base will be offered CRAiLAR® Hemp fiber for immediate availability

"As the expansion and upgrades of CRAiLAR's European facility continue, the opportunity to procure and process hemp fiber using CRAiLAR's patented technologies was at our doorstep", said Ken Barker, CEO of CRAiLAR. "As most of our customers and investors know, our technologies were initially created to process hemp fiber, and it is now in Europe that good quality hemp feedstock is available and ready to produce. This sets up CRAiLAR perfectly for continued production growth here in Europe, and opens the doors to US production, when and where the laws and regulations fully allow for hemp's cultivation and harvest. We've seen a thoroughly positive response to hemp in product categories such as work-wear, home furnishings, industrial and non-woven fabrics. We are by no means changing focus away from our superior flax fibers, rather, expanding our product offer through the means of our newly improved and expanded facility."

Additionally, CRAiLAR announces that Miljenko Horvat has resigned as a director of the company. Mr. Horvat has been a director since February 2006 and has also served as CRAiLAR's non-executive Chairman of the Board.

"We respect Miljenko's decision but we will miss his continuous flow of ideas and close friendship." said Barker. "We would like to thank Miljenko for his great array of contributions and we appreciate and look forward to his ongoing support."

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

February 24, 2014.