

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

June 1, 2015.

Item 3 News Release

A news release was issued by the Company on June 1, 2015 and distributed through Canadian Newswire.

Item 4 Summary of Material Change

The Board of Directors has established a special committee to consider strategic and financial alternatives for the Company. The Company will continue to negotiate a replacement Material Purchase Agreement with Georgia Pacific as the existing contract terminates November 22, 2015.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that its Board of Directors has initiated a process to identify, examine and consider strategic and financial alternatives available to CRAiLAR. The Board of Directors has established a special committee, comprised of the three independent members of the Board, to oversee the process. Management and the Board of Directors are committed to acting in the best interests of the Corporation and all its stakeholders.

It is the Corporation's current intention to reduce operating overhead in all locations, and right size the manufacturing of CRAiLAR fiber as soon as practicable. CRAiLAR will continue to negotiate a replacement Material Purchase Agreement contract with Georgia Pacific, having been provided notice that its existing contract will terminate on November 22, 2015. The Corporation cautions that there are no assurances or guarantees that this process will result in any transactions or, if any transactions are undertaken, the terms or timing of such transactions.

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

June 1, 2015.