

FORM 51-102F3
Material Change Report

1. Name and Address of Company:

ARTEVO CORPORATION (the "Corporation")
514 – 11TH Avenue SW
Calgary, Alberta T2R 0C8

2. Date of Material Change:

May 30, 2008.

3. News Release:

A press release relating to the material change described herein was released by Marketwire on June 10, 2008.

4. Summary of Material Change:

The Corporation announced that on May 30, 2008 it amalgamated (the "Amalgamation") with Power Play Art Ltd. ("PPAL") to form a new company to be called "Artevo Corporation" ("Amalco"). This Amalgamation constitutes the Qualifying Transaction of the Corporation pursuant to Policy 2.4 of the TSX Venture Exchange Inc. ("TSX Venture"). Pursuant to the Amalgamation: (a) each common share of PPAL was exchanged for one fully-paid and non-assessable common share of the Corporation; (b) each existing warrant of PPAL was replaced with/continued into one share purchase warrant of Amalco with identical terms; (c) each common share of the Corporation was exchanged for one fully-paid and non-assessable common share of Amalco; (d) each outstanding stock option of PPAL was replaced with/continued into one stock option of Amalco with identical terms; (e) each convertible debenture of PPAL was replaced with/continued into a convertible debenture of Amalco; (f) each PPAL Debenture was replaced with/converted into a convertible debenture of Amalco; (g) each agent's option of the Corporation was replaced with/continued into one replacement agent's option of Amalco with identical terms; and (h) each stock option of the Corporation was replaced with/continued into one stock option of Amalco.

5. Full Description of Material Change:

See press release attached as Schedule "A" hereto.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:

Not Applicable

7. Omitted Information:

Not Applicable

8. Executive Officer Knowledgeable of Material Change:

Christopher Talbot, President.

9. Date of Report:

June 16, 2008.

SCHEDULE "A"

ARTEVO CORPORATION COMPLETES AMALGAMATION AND POWER PLAY ART LTD. CLOSES MINIMUM PRIVATE PLACEMENT AMOUNT

FOR IMMEDIATE RELEASE

CALGARY, ALBERTA – June 10, 2008 - Artevo Corporation (the "Artevo") (TSX Venture: AEV.P) today announced that on May 30, 2008 it amalgamated (the "Amalgamation") with Power Play Art Ltd. ("PPAL") to form a new company to be called "Artevo Corporation" ("Amalco"). This Amalgamation constitutes the Qualifying Transaction of Artevo pursuant to Policy 2.4 of the TSX Venture Exchange Inc. ("TSX Venture"). Pursuant to the Amalgamation: (a) each common share of PPAL was exchanged for one fully-paid and non-assessable common share of Amalco; (b) each existing warrant of PPAL was replaced with/continued into one share purchase warrant of Amalco with identical terms; (c) each common share of Artevo was exchanged for one fully-paid and non-assessable common share of Amalco; (d) each outstanding stock option of PPAL was replaced with/continued into one stock option of Amalco with identical terms; (e) each convertible debenture of PPAL was replaced with/continued into a convertible debenture of Amalco; (f) each PPAL Debenture was replaced with/converted into a convertible debenture of Amalco; (g) each agent's option of Artevo was replaced with/continued into one replacement agent's option of Amalco with identical terms; and (h) each stock option of Artevo was replaced with/continued into one stock option of Amalco.

PPAL has closed on \$2,600,000 which exceeds the minimum amount of \$2,000,000 for its previously announced Private Placement (the "Private Placement"). The Private Placement consists of the issuance of up to \$4,000,000 of convertible debentures of PPAL (the "PPAL Debentures"). The PPAL Debentures bear interest at 12% per annum payable quarterly, are repayable in full two years from the date of issue, and will automatically convert into common shares of Amalco (the "Amalco Common Shares") at a price of \$0.50 per Amalco Common Share if the trading price of the Amalco Common Shares on the TSX Venture exceeds \$1.00 for ten consecutive trading days, and are convertible into Amalco Common Shares at \$0.50 per Amalco Common Share at the option of the holder at any time before maturity. The proceeds made available through the sale of PPAL Debentures will be used to initiate marketing strategies, enhance Amalco's web based technologies, evaluate potential opportunities for acquisition, establish a reserve for interest payments related to the PPAL Debentures for 12 months, and for working capital to fund ongoing operations of Amalco. Amalco plans to continue to sell the remaining \$1,400,000 of the PPAL Debentures until July 31, 2008 with a revised conversion rate of \$0.70 per Amalco Common Share.

The completion of the Amalgamation has received conditional approval of TSX Venture and is subject to its final approval, which Amalco expects to receive after certain filings are completed.

The common shares of Amalco are expected to commence trading under the symbol "AEV" after TSX Venture issues its final bulletin.

Amalco announces that it has granted stock options to purchase an aggregate of 1,272,481 Amalco Shares exercisable at \$0.20 per share for a period of five years distributed as follows:

<u>Optionee</u>	<u>Number of Options</u>
Ten Employees and one Consultant	570,000
Christopher Talbot, President and Chief Executive Officer	202,481
Gregory Rodda, Chief Operating Officer	300,000
Brian Callaghan, Chief Financial Officer	200,000

Artevo also advises of the following changes to the information contained in the Information Circular of Artevo and PPAL dated December 28, 2007 (the "Information Circular"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Information Circular.

Escrow Agreement

Christopher Talbot, Dale Gillespie and Gregory Rodda will enter into a Surplus Escrow Agreement aggregating 12,008,244 Amalco Common Shares. The Surplus Escrow Agreement provides that for a Tier 2 issuer, there is no release on the issuance of the final acceptance by the TSX Venture (the "Exchange Notice") and 5% of the number of shares held thereunder shall be released every six months after the Exchange Notice for 24 months (four releases equal to 20% of the new escrowed shares), and on the day that is 30 months from the Exchange Notice 10% of the number of shares held thereunder shall be released every six months until the day that is 72 months (eight releases equal to 80% of the new escrowed shares) from the issuance of the Exchange Notice. Damian and Sonia Conrad were to have 4,587,215 Amalco Shares put into escrow, however, pursuant to TSX Venture Policies this is now not required. The common shares of Amalco to be included in the surplus escrow as follows:

Name and Municipality of Residence	Number of New Escrowed Shares⁽²⁾
Christopher Talbot Calgary, Alberta	11,801,100
Dale Gillespie Calgary Alberta	171,429
Greg Rodda Calgary, Alberta	35,715

Notes:

- (2) Does not include the 1,000,000 Amalco Shares escrowed pursuant to the Artevo Escrow Agreement

Mr. John Houghton will enter into a Value Escrow Agreement, placing into escrow 400,000 Amalco Common Shares. The Value Escrow Agreement provides that for a Tier 2 issuer, 10% of the number of shares held thereunder shall be released on the date the Exchange issues the Exchange Notice, and 15% of the number of shares held thereunder shall be released every six months after the Exchange Notice.

Capitalization of PPAL

On page 69 of the Information Circular, the Capitalization of PPAL indicates \$400,000 outstanding as at December 28, 2007 for PPAL Private Placement Debentures. This was a typographical error, the number should be \$4,000,000.

Change in Fully Diluted Capital of Amalco

The definition of PPAL Convertible Debentures included a total of \$1,925,000 principal amount of convertible debentures. This total also included the PPAL Automatic Convertible Debentures and \$475,000 principal amount of debentures sold in the PPAL Private Placement. The following chart should replace the chart on page 76 of the Information Circular to adjust for the number of Amalco Shares issued and outstanding after the completion of the Amalgamation.

	<u>Number of Amalco Shares</u>	<u>Percentage</u>
Amalco Shares issued and outstanding after completion of Amalgamation ⁽¹⁾	31,211,176	69.5%
Securities reserved for issuance pursuant to the Amalco Artevo Agent's Option	100,000	0.2%
Securities reserved for issuance pursuant to Amalco Artevo Options	200,000	0.4%
Securities reserved for issuance pursuant to Amalco PPAL Existing Warrants	163,000	0.4%
Securities reserved for issuance pursuant to Amalco PPAL Options	1,195,000	2.7%
Securities reserved for issuance pursuant to the Amalco Private Placement Convertible Debentures ⁽²⁾	8,000,000	17.8%
Securities reserved for issuance pursuant to the Amalco New Options	1,728,117	3.9%
Securities reserved for issuance pursuant to the PPAL Shares for Service	20,000	0.0%
Securities reserved for issuance pursuant to the Amalco PPAL Convertible Debentures	2,000,000 ⁽²⁾	4.4%
Securities reserved for issuance pursuant to the Advisory Option	<u>300,000</u>	<u>0.7%</u>
Total	<u><u>44,917,293</u></u>	<u><u>100%</u></u>

Notes:

- (1) This number includes 27,973,136 PPAL Shares, 2,000,000 Artevo Shares and 1,238,040 Amalco Shares resulting from the conversion of PPAL Automatic Convertible Debentures.
- (2) This number may change depending on the U.S. Dollar exchange rate at the time of conversion.

For further information contact Christopher Talbot, the President and Chief Executive Officer of Amalco at (403) 244-8123.

Completion of the Qualifying Transaction is subject to a number of conditions, including but not limited to, TSX Venture acceptance. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Information Circular of Artevo dated December 28, 2007, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Artevo should be considered highly speculative.

The securities of Artevo being offered have not been, nor will be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the Qualifying Transaction and has neither approved nor disapproved the contents of this press release.