FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

DiaMedica Inc. (the "**Corporation**")
c/o DiaMedica USA Inc.
One Carlson Parkway, Suite 124
Minneapolis, Minnesota
55447

Item 2 Date of Material Change

December 23, 2013

Item 3 News Release

The Corporation issued a press release regarding the material change on December 23, 2013, a copy of which is attached hereto.

Item 4 Summary of Material Change

DiaMedica completes a short form prospectus offering raising gross proceeds of $2,600,019 through the sale of 2,888,910 Units.

Item 5 Full Description of Material Change

See attached Schedule "A"

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

Rick Pauls, President & Chief Executive Officer
Tel: 763-710-4455

Item 9 Date of Report

December 23, 2013

DIAMEDICA INC.

By: *"Rick Pauls"*
Rick Pauls
President & Chief Executive Officer

Schedule A
Press Release

DiaMedica Inc. Announces Completion of $2.6 Million Prospectus Offering

/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES/

Minneapolis, Minnesota – December 23, 2013 – DiaMedica Inc. (TSX-V:DMA), is pleased to announce the completion today of its previously announced short form prospectus offering (the "Offering"). Pursuant to the Offering, DiaMedica issued a total of 2,888,910 units (the "Units") at a price of $0.90 per Unit for aggregate gross proceeds of approximately $2.6 million. Each Unit comprises one common share in the capital stock of the Company (a "Common Share") and one half of one common share purchase warrant (a "Warrant"), with each whole Warrant entitling the holder thereof to acquire an additional Common Share until December 23, 2015 at a price of $1.10 per share. The expiry date of the Warrants is subject to acceleration if the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange exceeds $1.60 per share for a period of 10 consecutive trading days. The amount of the Offering included 110,910 Units issued and sold pursuant to partial exercise at the time of closing of the over-allotment option that was granted to Jordan Capital Markets Inc., as the agent in connection with the Offering.

"This Offering will be used to fund DiaMedica's research and development, including a Phase II clinical trial for Type 2 diabetes, and for working capital and general and administrative purposes," said Rick Pauls, President and CEO of DiaMedica.

About DiaMedica

DiaMedica Inc. (TSX-V:DMA) is a biotechnology company developing first-in-class treatments for the treatment of diabetes. DiaMedica's lead compound, DM199, is a recombinant human protein for the treatment of both Type 1 and Type 2 diabetes and their complications. The Company is also developing the first therapeutic GPCR agonist monoclonal antibody, DM204, for the treatment of Type 2 diabetes and cardiovascular disease. DiaMedica's shares trade on the TSX Venture Exchange (TSXV: DMA). For more information please visit www.diamedica.com.

For further information please contact:

Rick Pauls
President and CEO
DiaMedica
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Minneapolis, MN
Phone: 763-710-4455
info@diamedica.com

FORWARD-LOOKING STATEMENTS

The statements made in this press release that are not historical facts contain forward-looking information that involves risk and uncertainties. All statements, other than statements of historical facts, which address DiaMedica's expectations, should be considered forward-looking statements. Such statements are based on management's exercise of business judgment as well as assumptions made by and information currently available to management. When used in this document, the words "may", "will", "anticipate", "believe", "estimate", "expect", "intend" and words of similar import, are intended to identify any forward-looking statements. You should not place undue reliance on these forward-looking statements. These statements reflect a current view of future events and are subject to certain risks and uncertainties as contained in the Company's filings with Canadian securities regulatory authorities. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results could differ materially from those anticipated in these forward-looking statements. The Company undertakes no obligation, and does not intend, to update, revise or otherwise publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of any unanticipated events. Although management believes that expectations are based on reasonable assumptions, no assurance can be given that these expectations will materialize.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of the contents of this News Release.