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

May 27, 2014

Item 3 News Release

The Corporation issued a press release regarding the material change on May 27, 2014, a copy of which is attached hereto.

Item 4 Summary of Material Change

DiaMedica completes a short form prospectus offering raising gross proceeds of $2,169,440 through the sale of 3,099,200 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

May 29, 2014

DIAMEDICA INC.

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

Schedule A
Press Release

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

DiaMedica Announces Completion of Prospectus Offering

Minneapolis, MN – May 27th, 2014 – DiaMedica Inc. ("DiaMedica") (TSX-V:DMA), announced today it raised aggregate gross proceeds of approximately $2.2 million through a short form prospectus offering (the "Offering"). Pursuant to the Offering, the Company issued a total of approximately 3.1 million units (the "Units") at a price of $0.70 per Unit. Each Unit consists of one common share in the capital of DiaMedica (a "Common Share") and one half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire an additional Common Share until May 27, 2016 at a price of $1.00 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 $1.75 per share for a period of 10 consecutive trading days.

"The proceeds from the offering will be used primarily for the Phase II clinical trial for Type 2 diabetes currently being conducted, and for working capital and general and administrative purposes," said Rick Pauls, President and CEO of DiaMedica.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and accordingly may not be offered or sold within the United States, except in transactions that do not require registration under the U.S. Securities Act or applicable state securities laws. This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States.

About DiaMedica

DiaMedica is a publicly traded (TSX-V:DMA) clinical stage biopharmaceutical company focused on the discovery and development of novel therapies to treat diabetes and the complications associated with diabetes. DiaMedica's lead clinical stage compound, DM199, is a recombinant human protein known as rhKLK1 that represents a novel approach to treating diabetes and associated complications. DiaMedica is also developing a monoclonal antibody, DM204 for the treatment of Type 2 diabetes, which is in preclinical development.

DiaMedica's common shares are listed on the TSX Venture Exchange in Canada under the trading symbol 'DMA'.

For further information please contact:

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Minneapolis, MN
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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, including the intended use of the net proceeds of the Offering, 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 DiaMedica'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. DiaMedica 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, unless required by law. 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 press release.