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

October 29, 2014

Item 3 News Release

The Corporation issued a press release regarding the material change on October 29, 2014, a copy of which is attached hereto.

Item 4 Summary of Material Change

DiaMedica announces pricing of previously announced short form prospectus offering.

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

October 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 Inc. Announces Pricing Of Previously Announced Public Offering

Minneapolis, Minnesota – October 29, 2014 – DiaMedica Inc. ("DiaMedica", or the "Company") (TSX-V:DMA), is pleased to announce the terms of its previously announced public offering (the "Offering") of Units ("Units") of DiaMedica with a syndicate of agents led by Mackie Research Capital Corporation ("MRCC") as sole book-runner of the Offering, and including Jordan Capital Markets Inc. (together with MRCC, the "Agents").

The Offering will be priced at $0.25 per Unit ("Offering Price") for minimum gross proceeds of approximately $3,000,000 and maximum gross proceeds of approximately $6,000,000 representing 12,000,000 and 24,000,000 Units respectively. Each Unit shall consist of one common share ("Common Shares") and one common share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one Common Share of the Company at a price per share of $0.32 for a period of 36 months following the issuance thereof. The expiry date of the Warrants may be accelerated by the Company at any time following the date that is 18 months post the Closing Date and prior to the expiry date of the Warrants if the volume-weighted average trading price of the Company's shares is greater than $0.80 for any 20 consecutive trading days. As well, the Company has granted the Agents an over-allotment option to arrange for the purchase of up to an additional 15% of the maximum offering as more particularly described in the Prospectus.

DiaMedica intends to use the net proceeds from the Offering principally to satisfy all remaining contractual obligations of the Phase II study of DM199 in patients with type 2 diabetes and for general and administrative purposes as described more fully in the Prospectus.

The offering is expected to close on or about November 10, 2014, (the "Closing Date") or such other date or dates that DiaMedica and the Agents may agree upon. The Company has applied to the TSX Venture Exchange (the "Exchange") to list the Common Shares forming part of the Units distributed under the Prospectus, as well as all Common Shares issuable under all convertible securities issuable in connection with the Offering. Listing of the Common Shares is subject to the Company fulfilling all of the listing requirements of the Exchange.

A preliminary prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in certain jurisdictions of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from either:

Mackie Research Capital Corporation **Jordan Capital Markets Inc.**

Paul Rajchgod
199 Bay Street, Suite 4500
Toronto, Ontario
M5L 1G2
416.860.6782
prajchgod@mackieresearch.com

Stephen Mullie
420, 505 8th Avenue SW
Calgary, Alberta
T2P 1G2
403.770.2469
smullie@jordancap.com

There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities 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 may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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 kidney disease. DiaMedica's lead clinical product, DM199, is a recombinant human protein known as rhKLK1 that represents a novel approach to treating diabetes and kidney disease. 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:
John Savage
Chief Financial Officer
DiaMedica Inc.
One Carlson Parkway, Suite 124
Minneapolis, MN
Phone: 763-270-0603
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. Forward looking statements in this news release include, but are not limited to, the size and price of the Offering, the Company's objectives, goals, future plans and statements regarding the Offering and the use of proceeds therefrom, the expected closing date of the Offering and obtaining Exchange approval for the Offering. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to: the need to satisfy regulatory and legal requirements with respect to the proposed Offering; uncertainties associated with satisfying all remaining contractual obligations of the Phase II study and DM199 in patients with type 2 diabetes; uncertainties associated with the Offering size and price of

Units; uncertainties in obtaining listing approval of the Common Shares from the Exchange; changes in equity markets and inflation; and the additional risk factors described in detail in the Prospectus and DiaMedica's other filings with the Canadian securities regulators, all of which are available on SEDAR (www.sedar.com). 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.