PHARMAGAP INC.
100 Sussex Drive
Ottawa, Ontario K1A 0R6.

September 8, 2005

Ontario Securities Commission
20 Queen St. W.
Suite 1903, Box 55
Toronto, ON M5H 3S8
Attention: Continuous Disclosure

Alberta Securities Commission
4th Floor, 300-5th Avenue SW
Calgary, AB T2P 3C4
Attention: Continuous Disclosure

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC V7Y 1L2
Attention: Continuous Disclosure

TSX Venture Exchange
P.O. Box 450
130 King Street West, 3rd Floor
Toronto, ON M5X 1J2
Attention: Mark Bellefontaine

Dear Sirs:

Re: Material Change Report

Item 1. Name and Address of Company

The name of the reporting issuer is PharmaGap Inc. (the "**Issuer**" or "**PharmaGap**"). Its head office is located at 100 Sussex Drive, Ottawa, Ontario, K1A 0R6.

Item 2. Date of Material Change

The material change occurred on September 6, 2005.

Item 3. News Release

The Issuer disseminated a News Release via Canada Stockwatch and filed the News Release on SEDAR on September 7, 2005.

Item 4. Summary of Material Change

The Issuer announced the closing of convertible secured promissory note financing in the amount of $1,500,000 on September 6, 2005.

Item 5. Full Description of Material Change

The Issuer announced that the TSX Venture Exchange has accepted for filing the documentation required to close the issuance of a $1,500,000 Convertible Secured Promissory Note ("**Note**") to SC Stormont Holdings Inc. ("**Stormont**"), first announced by the Issuer on August 11, 2005. The financing closed on September 6, 2005.

Proceeds of the financing will be used for general corporate purposes and to repay an interim loan from Stormont in the amount of $500,000. The Note is convertible at $0.30 per unit into equity units comprising one (1) common share and one (1) two-year warrant to purchase a common share for $0.45 per share. The Note, and any PharmaGap common shares issued as a result of conversion of the Note or upon exercise of warrants, are subject to a four (4) month hold period until January 6, 2006.

Stormont has agreed to exercise its conversion option upon closing of investment by third parties of at least $1 million in the equity units private placement previously announced by the Company on August 11, 2005, provided the unit price paid by the subscribers in the private placement is no less than the conversion price of the Note.

Items 6 and 7. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 and Omitted Information

The Issuer is not relying on sub-section 7.1(2) or (3) of National Instrument 51-102 or the equivalent provisions of the securities legislation in other jurisdictions governing the Issuer for the filing of this report nor is any information being omitted in reliance thereon.

Item 8. Executive Officers

For further information, please contact Simon P. Goulet, Executive Vice President and Chief Operating Officer of the Issuer, at (613) 991-5370.

Item 9. Date of Report

DATED at Ottawa, Ontario this 8th day of September, 2005.

PHARMAGAP INC.

Per: *"Simon P. Goulet"*
Simon P. Goulet, Executive Vice President and
Chief Operating Officer