

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

April 4, 2008

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 April 4, 2008.

Item 3. **News Release**

The Issuer disseminated a News Release and filed the News Release on SEDAR on April 4, 2008.

Item 4. **Summary of Material Change**

The Issuer announced it has closed a financing of a series 4 secured convertible debentures (“Series 4 Notes”) and of a seventh tranche of series 3 secured convertible debentures (“Tranche 7 Series 3 Notes”), both issued to SC Stormont Holdings Inc. (“Stormont”) by way of private placements. The closing of both transactions is effective as of April 4, 2008 and is subject to TSX Venture Exchange final approval.

Item 5. **Full Description of Material Change**

The Issuer announced it has closed a financing of Series 4 Notes to Stormont by way of a private placement in the amount of \$234,800. The Series 4 Notes are due on the earliest to occur of: (i) demand; or (ii) February 26, 2009 and accrue interest at 10% per annum. The closing is effective as of April 4, 2008 and is subject to TSX Venture Exchange final approval.

The Series 4 Notes are convertible at any time by the holder into equity units of the Company (the “Equity Units”) at a price of \$0.13 for each Equity Unit (each Equity Unit consists of one (1) common share and one (1) warrant with a two (2) year term to purchase one (1) common share at an exercise price of \$0.195). The Series 4 Notes and the underlying common shares of the Company represented by the Series 4 Notes are subject to a four (4) month hold period until August 5, 2008 under the rules of the TSX Venture Exchange. The Series 4 Notes are also callable by the Company under certain circumstances.

The Series 4 Notes rank in priority with respect to their security coverage with the Tranche 3, 4, 5, 6 and 7 Series 3 Notes and Series 2 Notes also issued to investors.

PharmaGap has also closed a financing for a seventh tranche of secured convertible debentures ("Tranche 7 Series 3 Notes") issued to Stormont by way of a private placement in the amount of \$112,880. The Tranche 7 Series 3 Notes mature February 26, 2009 and accrue interest at 10% per annum. The closing is effective as of April 4, 2008 and is subject to TSX Venture Exchange final approval.

The Tranche 7 Series 3 Notes are convertible at any time by the holder into equity units of the Company (the "Equity Units") at a price of \$0.175 for each Equity Unit (each Equity Unit consists of one (1) common share and one (1) warrant with a two (2) year term to purchase one (1) common share at an exercise price of \$0.2625). The Tranche 7 Series 3 Notes and the underlying common shares of the Company represented by the Tranche 7 Series 3 Notes are subject to a four (4) month hold period until August 5, 2008 under the rules of the TSX Venture Exchange. The Tranche 7 Series 3 Notes are also callable by the Company under certain circumstances.

The Tranche 7 Series 3 Notes mirror the terms of the Tranche 1, 2, 3, 4, 5 and 6 Series 3 Notes issued to accredited investors in December 2005 and January, April, May, June and September 2006. Together, the six issues total \$1,400,000.

Following conversion of all outstanding debentures held by Stormont (but excluding debentures held by arm's length parties), including accrued interest to April 4, 2008 and exercise of all attached warrants, Stormont would hold 40,379,085 of 63,823,843 common shares outstanding, representing a 63.27% interest (51.4% on a fully diluted basis). Stormont is controlled by Roderick M. Bryden, Chairman of PharmaGap. Neither the Corporation nor, to the knowledge of the Corporation after reasonable inquiry, Mr. Bryden has knowledge of any material information concerning the Corporation or its securities that has not been generally disclosed.

PharmaGap's Board of directors (the "Board") has considered the connected related transactions between PharmaGap and Stormont and the Board has unanimously determined that the related transaction is exempt from the valuation and minority voting requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders* ("MI 61-101") pursuant to section 5.5(c) and section 5.7(1)(b) of MI 61-101 since the connected transactions are a distribution of securities for cash and the connected transactions have a fair market value of less than \$2,500,000. The Board has further determined a disclosure period of less than twenty-one (21) days is necessary with respect to the connected transactions in order to meet critical funding requirements.

Item 6. **Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

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.

Item 7. **Omitted Information**

No information has been omitted from this report on the basis that it is confidential information.

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 4th day of April, 2008.

PHARMAGAP INC.

Per:



Simon Goulet, Executive Vice President and
Chief Operating Officer