

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

March 15, 2011

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 March 14, 2011.

Item 3. **News Release**

The Issuer disseminated a News Release on March 14, 2011 and filed the News Release on SEDAR.

Item 4. **Summary of Material Change**

The Issuer announced the final closing of its private placement. The Issuer received further subscriptions for the final closing of its previously announced private offering of equity units (the “Units”) in the amount of \$198,440, bringing the gross aggregate amount for the full private placement to \$1,034,165.

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

The Issuer announced the final closing of its private placement. The Issuer received further subscriptions for the final closing of its previously announced private offering of the Units in the amount of \$198,440, bringing the gross aggregate proceeds of the full private placement to \$1,034,165. A total of 1,804,000 units were issued in the final closing at a price of \$0.11 per Unit, bringing the total number of Units issued in the full private placement to 9,401,500. The final subscription amount exceeds the originally announced goal of the private placement by 310,591 Units and \$34,165. Each Unit consists of one common share and one warrant to purchase one common share at an exercise price of \$0.16 per common share with a two year warrant term. The final closing of this private placement is subject to the approval of the TSX Venture Exchange and the shares and warrants issued pursuant to the private placement are restricted from trading for four months from the date of closing.

In connection with this final closing, \$10,490 in cash fees and 95,360 broker warrants were paid to Northern Securities Inc. Total cash fees for the full private placement amount to \$86,258

(\$26,308 to Northern Securities Inc., and \$58,950 to individuals dealing at arm's length to the Issuer). Total broker warrants for the full private placement amount to 239,160, all issued to Northern Securities Inc. Broker warrants are issued on the same terms and conditions as the warrants included in the Units.

In order to facilitate the placement, SC Stormont Holdings Inc. ("**Stormont**"), a company owned by PharmaGap's Chairman, Mr. Roderick M. Bryden, has agreed to enter into Securities Lending Agreements with any of the investors who so request to provide free-trading shares in exchange for the shares acquired in this placement which are restricted from trading for a period of four months from the issue date.

The private placement initially announced on February 24, 2011 has now been completed and no further Units will be issued pursuant to this placement.

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

The Issuer is not relying on sub-section 7.1(2) 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 Robert C. McInnis, President of the Issuer, at (613) 990-9551.

Item 9. **Date of Report**

DATED at Ottawa, Ontario this 15th day of March, 2011.

PHARMAGAP INC.

(s) Robert C. McInnis

Per:

Robert C. McInnis, President