

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

July 14, 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 July 13, 2011.

Item 3. **News Release**

The Issuer disseminated a News Release on July 13, 2011 and filed the News Release on SEDAR.

Item 4. **Summary of Material Change**

The Issuer announced that it has completed the initial closing of a private offering of up to 5,555,556 equity units (the “Units”) for a net aggregate amount (if fully subscribed) of up to \$500,000.

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

The Issuer announced that it has completed the initial closing of a private offering of up to 5,555,556 Units for a net aggregate amount (if fully subscribed) of up to \$500,000. A total of 884,500 units have been subscribed in the initial closing at a price of \$0.09 per Unit. Commitments for an additional 950,000 units have been received and will be included in a final closing of this private placement, which is expected to occur on or about July 25, 2011.

Each Unit consists of one common share and one warrant to purchase one common share at an exercise price of \$0.14 per common share with a two year warrant term. The conditional 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 initial closing, \$5,483 in cash fees and 60,920 broker warrants will be paid 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.

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 14th day of July, 2011.

PHARMAGAP INC.

(s) Robert C. McInnis
Per:
Robert C. McInnis, President