

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

December 5, 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 December 2, 2011.

Item 3. News Release

The Issuer disseminated a News Release and filed the News Release on SEDAR.

Item 4. Summary of Material Change

The Issuer has completed a private offering of 9,060,142 equity units (the “Units”) for a gross aggregate amount of \$634,210.

Item 5. Full Description of Material Change

The Issuer has completed a private offering of 9,060,142 Units for a gross aggregate amount of \$634,210. On November 28, 2011 the Issuer completed an initial close of 971,428 Units. The final closing of 8,088,714 Units brings the total number of Units issued in this Offering to 9,060,142 and total gross proceeds at \$0.07 per Unit to \$634,120.

Each Unit consists of one common share and one warrant to purchase one common share at an exercise price of \$0.10 per common share with a three year warrant term. The 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 the final closing, \$7,017 in cash fees and 100,240 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. Cash finder’s fees in the total amount of \$42,985 will be paid to an individual dealing at arm’s length to PharmaGap in connection with the final closing. An

aggregate total of \$54,082 in cash fees and 100,240 broker warrants were paid as finder's fees and commissions for the entire private 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 5th day of December, 2011.

PHARMAGAP INC.

(s) Robert C. McInnis

Per:

Robert C. McInnis, President