

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

October 4, 2012

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 October 2, 2012.

Item 3. **News Release**

The Issuer disseminated a News Release on October 2, 2012 and filed the News Release on SEDAR.

Item 4. **Summary of Material Change**

The Issuer announced it is suspending all operations pending completion of the previously announced licensing transaction with Clinical Value Corporation ("CVC") as approved by independent PharmaGap shareholders at its Annual General Meeting on August 3, 2012.

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

The Issuer announced it is suspending all operations pending completion of the previously announced licensing transaction with CVC as approved by independent PharmaGap shareholders at its Annual General Meeting on August 3, 2012.

In order to reduce cash requirements until financing of the CVC licensing transaction can be secured, the Issuer placed all employees on temporary layoff status on September 26, 2012, and is reducing the office and lab space leased at 100 Sussex Drive in Ottawa accordingly.

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 4th day of October, 2012.

PHARMAGAP INC.

(s) Robert C. McInnis

Per:

Robert C. McInnis, President