

**Form 51-102F3  
Material Change Report**

**1. Name and Address of Company**

Gemoscan Canada, Inc.  
5000 Dufferin Street, Unit D1  
Toronto, Ontario M3H 5T5

**2. Date of Material Change**

August 17, 2011

**3. News Release**

August 17, 2011 via Marketwire (CNQ Disclosure Network)

**4. Summary of Material Change**

Gemoscan Canada, Inc. ("**Gemoscan**" or the "**Corporation**") (CNSX:GES) announced, subject to regulatory approval, that it plans to issue up to 2,857,143 units (the "**Units**") of the Corporation in a non-brokered private placement (the "**Private Placement**") at a price of Cdn.\$0.35 per Unit for total gross proceeds of up to Cdn.\$1,000,000. Each Unit consisting of one Class A share ("**Common Share**") and one half of one Class A share purchase warrant (a "**Warrant**").

**5.1 Full Description of Material Change**

Gemoscan Canada, Inc. ("**Gemoscan**" or the "**Corporation**") (CNSX:GES) announced, subject to regulatory approval, that it plans to issue up to 2,857,143 units (the "**Units**") of the Corporation in a non-brokered private placement (the "**Private Placement**") at a price of Cdn.\$0.35 per Unit for total gross proceeds of up to Cdn.\$1,000,000. Each Unit consisting of one Class A share ("**Common Share**") and one half of one Class A share purchase warrant (a "**Warrant**").

Each whole Warrant will entitle the holder to purchase one Common Share of the Corporation (the "**Warrant Share**") at a price of Cdn.\$0.55 per Warrant Share. All Warrants will expire two years from the closing of the Private Placement.

Proceeds from the Private Placement will be used to enhance the Corporation's cash on hand and strengthen its working capital position. The securities issued will be subject to a four-month plus one day hold period from the date of closing. Gemoscan currently has a total of 20,990,005 Common Shares outstanding.

In connection with the Private Placement, finder's fees may be payable. The Private Placement and finder's fees are subject to applicable regulatory approvals.

**5.2 Disclosure for Restructuring Transactions**

N/A

**6. Reliance of subsection 7.1(2) of National Instrument 51-102**

N/A

**7. Omitted Information**

N/A

**8. Executive Officer**

Brian Kalish  
Director, President and Chief Executive Officer  
Telephone: (416) 650-1200

**9. Date of Report**

August 17, 2011