

FORM 51 – 102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Pascal Bioscience Inc.
Suite 1780 – 400 Burrard Street
Vancouver, BC V6C 3A6

2. Date of Material Change

October 30, 2018

3. News Release

A news release dated October 30, 2018 was disseminated through Stockwatch and Baynews and was filed via SEDAR the same day.

4. Summary of the Material Change

Pascal Biosciences Inc. and the University of Washington entered into exclusive License Agreement to Develop Cannabinoid-based Medicine for Cancer

5. Full Description of the Material Change

Pascal Biosciences Inc. (TSX.V:PAS) (“Pascal” or the “Company”), a drug discovery and development company, is pleased to announce that the Company has entered into an exclusive (subject to the United States government’s rights) license agreement with the University of Washington (UW) in Seattle to develop and commercialize a cannabinoid-based product for the treatment of glioblastoma multiform and brain metastases, with a right to sub-license its rights to a third party. The program, developed in the lab of renowned cannabis researcher Dr. Nephi Stella, founder and co-director of the UW Center for Cannabis Research, includes a lead therapeutic, ST-403. Pascal plans to begin human clinical studies of ST-403 in 2019.

“I believe the ST-403 program has great potential to help patients diagnosed with glioblastoma, brain metastases and other devastating cancers,” said Dr. Stella. “I’m excited to have Pascal advancing this promising program and, furthermore, I am honoured to help with the future development of Pascal’s broad immune-oncology program, as I believe cannabinoid-based compounds have great potential when combined with checkpoint inhibitors.” Dr. Stella began developing ST compounds based on scientific reports that cannabis-derived compounds may have benefit for glioblastoma, and he collaborated with Associate Professor Dr. Philippe Diaz of the University of Montana (UM) Department of Biomedical & Pharmaceutical Sciences. CoMotion, UW’s collaborative innovation hub, supported the work through two CoMotion Innovation Gap Fund grants and letters of support for a variety of other funding. CoMotion and joint owner (University of Montana), worked together in order to secure exclusive rights to license the compound to the company. ST compounds utilize a unique mechanism of action to kill cancer cells that may prove synergistic when used in combination with chemotherapeutics. In a preclinical model of glioblastoma,

mice are treated with radiation and temozolomide, which is the standard of care for human patients; ST compounds synergize with these treatments to reduce tumour size and extend life. These compounds also demonstrated a favourable safety profile. These results support Pascal's plans to begin clinical trials with ST-403 in 2019. "ST-403 is a very promising therapeutic candidate that is an ideal fit with our cannabinoid immune activation program that we announced in February," said Dr. Patrick Gray, CEO of Pascal. "Both programs have great potential in treating cancer, and we are fortunate to have access to and support from Dr. Stella to help facilitate the advancement of this great science into meaningful therapeutics for cancer." Pascal's exclusive license agreement with the UW covers the ST-403 program, all related compounds, and a strong patent portfolio consisting of 5 patents and patent applications. If ST-403 has demonstrated benefit for glioblastoma patients, its commercial potential is significant: Temozolomide is now off patent protection, but previously had sales over \$1B per year.

About ST-403

ST-403 is a mitosis inhibitor that blocks cell division. Drugs of this class disrupt microtubules, which are the structures that pull chromosomes apart during cell division. There are several mitotic inhibitors approved for cancer treatment, including paclitaxel and vinblastine, and they have substantial benefit on solid tumours when combined with other chemotherapeutics. However, unlike ST-403, none of these agents cross the blood brain barrier and therefore have no activity on glioblastoma or other brain cancers.

About Glioblastoma

Glioblastoma multiforme is a devastating disease for patients due to the high rate of recurrence, limited treatment options and aggressive nature of the disease. According to the National Brain Tumor Society, glioblastoma strikes about 15,000 patients each year in North America with a median survival rate of 12 to 17 months. Therapies to treat glioblastoma are limited to surgery, radiation and chemotherapy, and more recently tumour treating fields. The only chemotherapeutic approved for glioblastoma is temozolomide, which was developed over 50 years ago and extends survival by only two months. Temozolomide kills tumour cells by causing DNA damage, a mechanism that is different from ST compounds.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51 – 102

N/A

7. Omitted Information

N/A

8. Executive Officer

Judi Dalling, CFO and Corporate Secretary
Phone: (604) 880-7250

9. Date of Report

November 8, 2018