

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Reporting Issuer

Pascal Bioscience Inc. ("Pascal")
280 East 7th Avenue
Vancouver, British Columbia V5T 0B4

Item 2. Date of Material Change

March 9, 2020

Item 3. News Release

A news release was disseminated on March 10, 2020 through GlobeNewswire and subsequently filed on SEDAR. A further news release was disseminated on March 13, 2020 through Baystreet and Stockwatch and subsequently filed on SEDAR.

Item 4. Summary of Material Changes

On March 10, 2020, Pascal announced that, in exchange for the exclusive right to negotiate a definitive agreement regarding a potential transaction (the "Potential Transaction") with SōRSE Technology Corporation ("SōRSE"), SōRSE agreed to purchase units of Pascal, each unit consisting of one share and one warrant of Pascal, for gross proceeds of US\$250,000 on a private placement basis (the "Private Placement"). Pursuant to the Potential Transaction the terms of which are not yet finalized or binding, Pascal expects that SōRSE will purchase Pascal's cannabinoid programs in exchange for common shares of SōRSE. A binding commitment with respect to the Potential Transaction will result in an enforceable agreement only if Pascal and SōRSE negotiate and execute a definitive agreement prior to the expiry of the exclusivity period, which is May 27, 2020.

On March 13, 2020, Pascal announced the pricing of the Private Placement. Pascal announced that SōRSE will purchase 3,793,548 units of Pascal (each a "Unit") at a price of C\$0.09 per Unit. Each Unit will consist of one common share of Pascal and one common share purchase warrant (each, a "Warrant"). Each Warrant will entitle SōRSE to purchase one additional common share of Pascal at a price of C\$0.15 for 18 months following the date which is six months after the closing of the Private Placement.

Item 5. Full Description of Material Change

See attached news release dated March 10, 2020 as Schedule "A" and news release dated March 13, 2020 as Schedule "B".

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

For further information, please contact:

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

Item 9. Date of Report

March 17, 2020.

Schedule "A"

Please see attached.



PASCAL BIOSCIENCES ANNOUNCES PRIVATE PLACEMENT AND POTENTIAL TRANSACTION WITH SÖRSE TECHNOLOGY FOR CANNABINOID RESEARCH PROGRAMS

NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

VANCOUVER, British Columbia, March 10, 2020 -- Pascal Biosciences Inc. (TSX.V: PAS) ("**Pascal**") is pleased to announce that it has entered into a non-binding term sheet (the "**Term Sheet**") with SörSE Technology Corporation ("**SörSE**"), pursuant to which it has agreed to exclusively negotiate a potential transaction (the "**Potential Transaction**") with SörSE. In exchange for the exclusive right to negotiate a definitive agreement, SörSE has agreed to purchase units of Pascal, each unit consisting of one share and one warrant of Pascal, for gross proceeds of US\$250,000 on a private placement basis (the "**Private Placement**").

Pascal intends to use the proceeds of the Private Placement for working capital purposes. Further details regarding the Private Placement, including the price of the units, the terms of the warrants and proposed closing date, will be announced. Completion of the Private Placement remains subject to the approval of the TSX Venture Exchange. All securities issued pursuant to the Private Placement will be subject to a statutory four month hold period.

Pursuant to the Term Sheet, Pascal has agreed to exclusively negotiate the terms of the Potential Transaction with SörSE until May 27, 2020. Although Pascal and SörSE have not yet finalized the binding terms of the Potential Transaction, Pascal expects that:

- SörSE will purchase Pascal's cannabinoid programs in exchange for common shares of SörSE valued at US\$9.5 million.
- Upon closing of the Potential Transaction, Pascal will hold at least 15.8% of the outstanding shares of SörSE.
- The Potential Transaction will be structured as a share purchase agreement whereby SörSE will purchase all of the shares of Pascal Biosciences US, Inc. ("**US SubCo**"), a wholly-owned subsidiary of Pascal which, in addition to other assets, holds all of Pascal's cannabinoid assets and employs certain personnel responsible for researching and advancing Pascal's scientific programs.
- Upon closing of the Potential Transaction, Pascal will focus on the advancement of its leukemia program which will not be transferred to SörSE as part of the Potential Transaction.
- As additional consideration for the sale of the cannabinoid assets, SörSE will permit US SubCo's employees to support Pascal's retained intellectual property and scientific programs at no additional cost to Pascal, in accordance with a work program to be determined in the definitive agreement.
- Upon closing of the Potential Transaction, SörSE will invest an additional US\$250,000 in Pascal on a private placement basis.

A binding commitment with respect to the Potential Transaction will result in an enforceable agreement only if Pascal and SörSE negotiate and execute terms and conditions of a definitive agreement prior to the expiry of the exclusivity period, which is May 27, 2020. If entered into, the definitive agreement, and any ancillary transaction agreements, will contain representations and warranties, conditions relating to regulatory approvals, TSX Venture Exchange approvals and any required shareholder approvals, and other terms as are customary in comparable transactions of this nature. In addition, if the Potential Transaction results in the sale of more than 50% of Pascal's assets, business or undertaking, as an additional condition to closing of the Potential Transaction, Pascal will be required to obtain approval of the Potential Transaction from its shareholders in accordance with Policy 5.3 of the TSX Venture Exchange. If a definitive agreement is not entered into and the Potential Transaction is not completed, Pascal will retain ownership of US SubCo and all rights to its cannabinoid assets.

If completed, the Potential Transaction would leverage SörSE's industry-leading formulation technology with Pascal's cannabinoid programs for clinical trials. Pascal is the first company to identify a mechanism for cannabinoids to directly benefit cancer immunotherapy, and is also developing PAS-403, a cannabinoid-derived drug targeting glioblastoma. In addition, both of these programs would be funded and developed by SörSE, which would expedite their path to human clinical trials.

SörSE has developed a proprietary water-soluble cannabinoid emulsion technology (patent-pending) that enables increased bioavailability, accurate dosing, and over 12 months shelf stability. SörSE is science and data-driven, with 53 employees, 30 of whom specialize in R&D and Quality Assurance. In 2019, SörSE secured a \$5 million raise and a \$10 million strategic partnership with a third party and currently has multiple partnerships which provide profitable revenue streams.

"The potential of Pascal's cannabinoid programs for clinical applications in cancer in combination with SörSE's proprietary emulsification methods offers a promising path for future medical applications of cannabinoid products," said Dr. Patrick Gray, CEO of Pascal Biosciences. "If a definitive agreement is entered into with SörSE in connection with the Potential Transaction, it would come on the heels of recent, successful collaborative efforts with SörSE that allowed Pascal to examine SörSE

formulations in several Pascal ongoing studies."

This press release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any state in which such offer, solicitation, or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.

ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Patrick W. Gray

President & CEO

ABOUT SōRSE TECHNOLOGY CORPORATION

SōRSE is a leading emulsion technology provider. SōRSE's technology is designed for producers to provide consumers with a better experience with near-perfect dosing, stability, and safe ingredients. SōRSE's patented technology converts oil into SōRSE, its water-soluble emulsion, for seamless integration as an ingredient in a beverage, food item or topical. For more information, visit www.sorsetech.com.

ABOUT PASCAL BIOSCIENCES INC.

Pascal is a biotechnology company focused on advancing innovative approaches for the treatment of cancer including targeted therapies for acute lymphoblastic leukemia and cannabinoid-based therapeutics. Pascal's leading portfolio also comprises a small molecule therapeutic, PAS-403, that is advancing into clinical trials for the treatment of glioblastoma, and PAS-393, an immuno-stimulatory cannabinoid to be used in combination with checkpoint inhibitor therapy. For more information, visit www.pascalbiosciences.com.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statements Regarding Forward Looking Information

This press release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation including the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, included herein, without limitation, statements relating the future operating or financial performance of Pascal, are forward-looking statements.

Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible", and similar expressions, or statements that events, conditions, or results "will", "may", "could", or "should" occur or be achieved. Forward-looking statements in this press release relate to, among other things, the expected final terms related to the Private Placement (including, the pricing of the units offered thereunder, the terms of the warrants forming part of the units offered thereunder and the closing date of the Private Placement); the completion of the Private Placement; the use of proceeds of the Private Placement; the expected final terms related to the Potential Transaction (including, the value of the common shares of SōRSE issued to Pascal upon closing of the Potential Transaction, the ownership interest held by Pascal in SōRSE upon closing of the Potential Transaction, the structure of the Potential Transaction, the focus of Pascal upon closing of the Potential Transaction, the use of US SubCo's employees post-closing of the Potential Transaction by Pascal and the additional \$250,000 private placement by SōRSE upon closing of the Potential Transaction); the entering into of a definitive agreement in connection with the Potential Transaction; obtaining the requirement regulatory, exchange and shareholder approvals in connection with the Potential Transaction; completion of the Potential Transaction; the effects of the Potential Transaction; the profitability of SōRSE; and the business operations of SōRSE. Actual future results may differ materially. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by Pascal, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements and the parties have made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation, the failure of the TSX Venture Exchange to approve the Private Placement, management's discretion to reallocate the use of proceeds, negotiations regarding the final terms of the Potential Transaction and the failure to obtain the required approvals to complete the Potential Transaction. Readers should not place undue reliance on the forward-looking statements and information contained in this news release concerning these times. Except as required by law, Pascal does not assume any obligation to update the

forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Schedule "B"

Please see attached.



PASCAL BIOSCIENCES PRICES PRIVATE PLACEMENT

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FOR DISSEMINATION IN THE UNITED STATES**

VANCOUVER, BRITISH COLUMBIA, March 13, 2020 – Pascal Biosciences Inc. (TSX.V: PAS) ("**Pascal**") is pleased to announce the pricing of its previously announced private placement. Further to Pascal's news release dated March 10, 2020, SōRSE Technology Corporation ("**SōRSE**") will purchase 3,793,548 units of Pascal (each a "**Unit**") at a price of C\$0.09 per Unit for gross proceeds of US\$250,000 on a private placement basis (the "**Private Placement**").

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Pascal intends to use the proceeds of the Private Placement for working capital purposes. Completion of the Private Placement remains subject to the approval of the TSX Venture Exchange. All securities issued pursuant to the Private Placement will be subject to a statutory four month hold period.

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ON BEHALF OF THE BOARD OF DIRECTORS

Dr. Patrick W. Gray

President & CEO

ABOUT PASCAL BIOSCIENCES INC.

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