

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

InnoCan Pharma Corporation (the "**Company**" or "**InnoCan**")
10 Hamenofim Street
Herzliya, Israel 4672561

Item 2. Date of Material Change

June 1, 2020

Item 3. News Release

The news releases disclosing the material change was issued on June 2, 2020, through the facilities of Newsfile Corp.

Item 4. Summary of Material Change

On **June 1, 2020**, the Company, together with the Lead Agents (as herein defined) amended certain terms of its marketed offering of units of the Company (the "**Units**"), that were previously announced on May 14, 2020 (the "**Offering**"). Pursuant to the amended terms, the Offering of Units will be conducted at a price of \$0.18 per Unit for minimum gross proceeds of \$2,500,000 and maximum gross proceeds of \$10,000,000.

Each Unit shall be comprised of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant of the Company (a "**Warrant**"). Each Warrant is exercisable into one Common Share (a "**Warrant Share**") at a price of \$0.25 for a period of 36 months following completion of the Offering.

The Offering is being led by Mackie Research Capital Corporation, as sole bookrunner, and Canaccord Genuity Corp. as co-lead agents (the "**Lead Agents**"), together with Haywood Securities Inc. and PI Financial Corp. (together with the Lead Agents, the "**Agents**").

The closing of the Offering is currently expected to be on or about the week of June 8, 2020 and is subject to certain conditions.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

On **June 1, 2020**, the Company, together with the Lead Agents, amended certain terms of its marketed offering of units of the Company (the "**Units**"), that was previously announced on May 11, 2020 and May 14, 2020 (the "**Offering**"). Pursuant to the amended terms, the Offering of Units will be conducted at a price of \$0.18 per Unit for minimum gross proceeds of \$2,500,000 and maximum gross proceeds of \$10,000,000.

Each Unit shall be comprised of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant of the Company (a "**Warrant**"). Each Warrant is exercisable into one Common Share (a "**Warrant Share**") at a price of \$0.25 for a period of 36 months following completion of the Offering.

Commencing on the date that is 12 months following the Closing Date, if the daily volume weighted average trading price ("**VWAP**") of the Common Shares on the Canadian Securities Exchange for any period of 20 consecutive trading days equals or exceeds \$0.50, the Company may, upon providing written notice to the holders of the Warrants (the "**Acceleration Notice**"), accelerate the expiry date of the Warrants to the date that is 30 days following the date of the Acceleration Notice.

The Offering is being led by Mackie Research Capital Corporation, as sole bookrunner, and Canaccord Genuity Corp. as co-lead agents (the "**Lead Agents**"), together with Haywood Securities Inc. and PI Financial Corp. (together with the Lead Agents, the "**Agents**").

The Company has granted the Agents an option (the "**Over-Allotment Option**") to cover over-allotments and for market stabilization purposes, exercisable in whole or in part at the sole discretion of the Agents, at any time up to 30 days from the closing of the Offering, to increase the size of the Offering by up to 15% of the number of Units (and/or the components thereof) sold pursuant to the Offering, on the same terms and conditions of the Offering.

The net proceeds raised under the Offering will be used for research and product development expenses, sales and marketing expenses, operating expenses and general and administrative expenses as well as for working capital and general corporate purposes.

The closing of the Offering is currently expected to be on or about the week of June 8, 2020 and is subject to certain conditions including, but not limited to the execution of an agency agreement and the receipt of all necessary regulatory approvals.

The Company will use commercially reasonable efforts to list the Common Shares, and the Warrant Shares on the Canadian Securities Exchange, subject to the Company fulfilling all of the listing requirements of the Exchange.

5.2 *Disclosure for Restructuring Transactions*

Not Applicable

Item 6. *Item 6 - Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 – Continuous Disclosure Obligations*

Not Applicable

Item 7. *Item 7 - Omitted Information*

No information has been omitted from this material change report.

Item 8. *Executive Officer*

Iris Bincovich, Chief Executive Officer
+972-54-3012842

Item 9. *Date of Report*

June 2, 2020