

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

October 12, and October 20, 2023.

Item 3. News Release

The press releases disclosing the material changes were released on October 12, and October 20, 2023 through the facilities of Cision.

Item 4. Summary of Material Change

The Company has closed two tranches of its previously announced brokered private placement offering of units of the Company (the "Units") pursuant to which the Company issued 5,425,608 Units at a price of \$0.30 (the "Offering Price") per Unit for aggregate gross proceeds of \$1,627,682.40 (the "Offering"). The Offering was led by Research Capital Corporation as sole agent and sole bookrunner (the "Agent").

Each Unit is comprised of one common share in the capital of the Company (a "Common Share") and one purchase warrant (a "Warrant"). Each Warrant shall entitle the holder thereof to purchase one Common Share at an exercise price of \$0.36 for a period of 36 months from the date of issuance.

The Company intends to use the net proceeds from the Offering to fund the Company's pre-investigational new drug meeting with the United States Food and Drug Administration (the "FDA") regarding the human application of the Company's products; the investigational new animal drug meeting with the FDA regarding the veterinary application of the Company's products; and for the expansion of the Company's derma-cosmetic product distribution.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

On October 12, 2023, the Company closed the first tranche of the Offering (the "First Tranche"), pursuant to which the Company issued 1,420,200 Units at a price of 0.30 per Unit for aggregate gross proceeds of \$426,060. Each Unit is comprised of one Common Share and one Warrant. Each Warrant shall entitle the holder thereof to purchase one Common Share at an exercise price of \$0.36 for a period of 36 months from the date of issuance.

The Offering was led by the Agent as sole agent and sole bookrunner.

In connection with the First Tranche, the Agent received an aggregate cash fee equal to \$34,084.80. In addition, the Company issued 113,616 non-transferable broker warrants (the "Broker Warrants") to the Agent. Each Broker Warrant entitles the holder thereof to purchase one Unit at an exercise price equal to the Offering Price for a period of 36 months following the closing date of the First Tranche.

On October 20, 2023, the Company closed the second and final tranche of the Offering (the "Second Tranche"), pursuant to which the Company issued 4,005,408 Units at a price of \$0.30 per Unit for aggregate gross proceeds of \$1,201,622.40.

In connection with the Second Tranche, the Agent received an additional cash fee equal to \$18,330. In addition, the Company issued 61,100 Broker Warrants to the Agent. Each Broker Warrant entitles the holder thereof to purchase one Unit at an exercise price equal to the Offering Price for a period of 36 months following the closing date of the Second Tranche. The Company also paid the Agent a corporate finance advisory fee consisting of 122,500 Units, \$27,700 in cash and 92,330 Broker Warrants.

The Units issued under the Offering were offered to purchasers pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – *Prospectus Exemptions*. The Units are not subject to resale restrictions pursuant to applicable Canadian securities laws. The Broker Warrants issued under the Offering are subject to a statutory four-month hold period pursuant to applicable Canadian securities laws.

The Company intends to use the net proceeds from the Offering to fund the Company's pre-investigational new drug meeting with the FDA regarding the human application of the Company's products; the investigational new animal drug meeting with the FDA regarding the veterinary application of the Company's products; and for the expansion of the Company's derma-cosmetic product distribution.

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*

October 23, 2023