

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

PharmAla Biotech Holdings Inc. (the “Company”)
82 Richmond Street East
Toronto, Ontario M5C 1P1

Item 2: Date of Material Change

April 19, 2024.

Item 3: News Release

A news release was disseminated on April 19, 2024 via Globe Newswire and filed on the Company’s SEDAR+ profile at www.sedarplus.ca.

Item 4: Summary of Material Change

Private Placement

Effective April 19, 2024 (the “Closing Date”), further to the Company’s press release dated April 10, 2024 (the “April 10 Release”), the Company closed a non-brokered private placement offering (the “Offering”) through the issuance of 4,166,665 units of the Company (each, a “Unit”) for gross proceeds of approximately \$750,000.

All securities issued under the Offering are subject to: (i) a four month and one day hold period from the date of issuance and (ii) applicable legends as required pursuant to the United States Securities Act of 1933, as amended.

Debt Settlement

Effective April 19, 2024, further to the April 10 Release, the Company completed a debt settlement in the amount of \$108,000 with Aaron Logan, third-party consultant of the Company, to preserve the Company’s cash for working capital through the issuance of 600,000 common shares in the capital of the Company (each, a “Common Share”) at a price of \$0.18 per Common Share (the “Debt Settlement”).

The Common Shares issued in connection with the Debt Settlement are subject to a statutory hold period of four months and one day from the date of issuance.

Item 5.1: Full Description of Material Change

Private Placement

Each Unit was sold at a price of \$0.18 per Unit and consisted of one Common Share and one-half of one warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.27 per Common Share at any time prior to 4:30 pm (Toronto Time) on the date that is thirty six months following the Closing Date (the “Warrant Term”), provided that, if the closing price of the Common Shares on the Canadian Securities Exchange (the “CSE”) is \$0.38 or greater per Common Share for a period of ten consecutive trading days at any time after the completion of the Offering, the Company may accelerate the Warrant Term, in compliance with the policies of the CSE, such that the Warrants shall expire on the date which is thirty days following the date a press release is issued by the Company announcing the reduced Warrant Term in accordance with the terms and conditions of the certificate representing such Warrants.

The Company intends to use the net proceeds of the Offering for the securing of global patent rights

for its portfolio of novel intellectual property assets, manufacture of products for sale, clinical trials into the Company's novel patented drug candidates, sales, general corporate and working capital purposes.

Debt Settlement

Aaron Logan is a consultant of the Company who advises the Company on intellectual property and commercialization matters. Mr. Logan's work was critical in the Company's negotiation for the establishment of Cortexa Pty Ltd., the Company's joint venture with Australian-based Vitura Health Limited. Mr. Logan is an entrepreneur with more than 660 patents to his name and a 2023 Avenue Magazine Calgary Top 40 under 40 recipient.

None of the debt includes payment for Investor Relations Activities (as such term is defined in the policies of the CSE). Mr. Logan will remain in an advisory capacity for the Company.

Related Party Transaction Disclosure

NKO Consulting Corp., a company controlled by Nicholas Kadysh, a director and officer of the Company (the "**Participating Insider**") participated in the Offering and acquired an aggregate of 277,778 Units. The participation of the Participating Insider in the Offering constituted a "related party transaction", as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* ("**MI 61-101**"). In completing the Offering, the Company relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101, on the basis that the fair market value of the Participating Insider's participation in the Offering did not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The Company did not file the material change report more than 21 days before the closing date of the Offering. In the Company's view, the shorter period was necessary to permit the Company to close the Offering in a timeframe consistent with usual market practice for a transaction of this nature and was reasonable and necessary to improve the Company's financial position in a timely manner in the circumstances.

Effect of the Offering					
Name	Insider	# of Units Acquired	Value	# of Securities Held	% of Securities Held
NKO Consulting Corp. ⁽³⁾	Director and Officer	277,778	\$50,000.04	4,977,778 ⁽¹⁾⁽⁴⁾ 6,791,667 ⁽²⁾⁽⁴⁾	5.43% ⁽⁵⁾ 7.26% ⁽²⁾

Notes:

1. Upon completion of the Offering on an undiluted basis.
2. Upon completion of the Offering on a partially diluted basis.
3. Nicholas Kadysh, a director of the Issuer, is a director of NKO Consulting Corp.
4. Upon completion of the Offering, together with its joint actor, Nicholas Kadysh (1,075,000 Common Shares and 1,675,000 Options), NKO Consulting Corp. beneficially owns an aggregate of 4,977,778 Common Shares, 1,675,000 Options and 138,889 Warrants.
5. Calculated based on 91,724,217 Common Shares issued and outstanding upon completion of the Offering and Debt Settlement on a non-diluted basis.

Completion of the Offering was unanimously approved at a meeting of the board of directors of the Company entitled to vote on such matters. No special committee approved or was established in connection with the Offering, and no materially contrary view or abstention was expressed or made by any director.

Aside from agreements entered into with the Company pursuant to the Offering, the Company will not be entering into any agreement with an interest party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interest party or a joint actor with an interested party, in connection with the Offering.

The Company will send a copy of this material change report to any shareholder of the Company who requests a copy of it.

Item 5.2: Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on Subsection 7.1(2) of National Instrument 51-102 (Confidentiality)

Not applicable.

Item 7: Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8: Executive Officer

For additional information with respect to this material change, please contact:

Nicholas Kadysch
Chief Executive Officer
T: 1-855-444-6362
E: press@PharmAla.ca

Item 9: Date of Report

April 29, 2024.