

CHEMESIS INTERNATIONAL INC.

Notice of Change in Corporate Structure Pursuant to Section 4.9 of National Instrument 51-102 Continuous Disclosure Obligations

Item 1. Names of the Parties to the Transaction

Chemesis International Inc. (the “**Company**”), 1145411 B.C. Ltd. (“**B.C. Ltd.**”), Bonhomie Labs Inc. (“**Bonhomie**”) and SAP Global (“**SAP**”).

Item 2. Description of the Transaction

The Company completed a transaction involving the acquisition of all of the issued and outstanding shares of B.C. Ltd. In connection with the completion of the transaction, the Company changed its name to “Chemesis International Inc.” and moved the listing of its common shares to the Canadian Securities Exchange (“**CSE**”) from the TSX Venture Exchange (“**TSXV**”).

The Company changed its name to Chemesis International Inc., and its shares commenced trading on the CSE under the symbol “CSI”. At the Company’s request, its shares were delisted from, and have ceased to trade on, the TSXV (where they formerly traded under the symbol “CNG”).

The Company acquired all of the issued and outstanding share capital of B.C. Ltd. in exchange for issuing common shares in its capital (“**Company Shares**”) equal to US\$20,000,000 at a deemed price per Company Share of US\$0.265, for a total issuance to B.C. Ltd. shareholders of 46,807,559 common shares (equivalent to 93,615,100 pre-share consolidation Company Shares). B.C. Ltd. became a wholly-owned subsidiary of the Company. Concurrently with the completion of the transaction, the Company completed a two-for-one share consolidation. The shares issued to B.C. Ltd. were issued on a post-consolidation basis.

After giving effect to the completion of the transaction and the share consolidation, there were 62,847,635 common shares issued and outstanding (on an undiluted basis), with approximately 14.20% of the common shares (on an undiluted basis) held by insiders.

Item 3. Effective date of the Transaction

July 16, 2018

Item 4. Names of Each party that Ceased to Be a Reporting Issuer Subsequent to the transaction and of each Continuing Entity

The Company will continue as a reporting issuer following completion of the Transaction. No party ceased to be a reporting issuer in connection with the Transaction.

Item 5. The Date of the Reporting Issuer’s First Financial Year-End after the transaction

The Company’s financial year-end remains June 30. The Company’s first financial year-end after the Transaction will be June 30, 2019.

Item 6. Periods, Including the Comparative Periods, if any, of the Interim and Annual Financial Statements Required to be Filed for the Reporting Issuer's First Financial Year Subsequent to the Transaction

- (a) Interim consolidated financial statements of the Company for the three months ended September 30, 2018 (as compared with the three months ended September 30, 2017);
- (b) Interim consolidated financial statements of the Company for the six months ended December 31, 2018 (as compared with the six months ended December 31, 2017);
- (c) Interim consolidated financial statements of the Company for the nine months ended March 31, 2019 (as compared with the nine months ended March 31, 2018); and
- (d) Annual consolidated financial statements of the Company for the year ended June 30, 2019 (as compared with the 12 months ended June 30, 2018).

Item 7. Documents filed under NI 51-102 that describe the transaction and where they can be found in electronic format

Further details regarding the Transaction are described in the listing statement (the "**Listing Statement**") dated July 16, 2018. A copy of the Listing Statement is available on SEDAR at www.sedar.com.

Dated: July 26, 2018