

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1            Name and Address of Company**

Chemesis International Inc.  
Suite 2710, 200 Granville Street,  
Vancouver, British Columbia V6C 1S4

**Item 2            Date of Material Change**

December 9, 2019

**Item 3            News Release**

A news release announcing the material change referred to in this report was disseminated on December 9, 2019 and subsequently filed on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4            Summary of Material Change**

On December 9, 2019, Chemesis International Inc. ("**Chemesis**" or the "**Company**") announced, further to a news release dated November 1, 2019, that certain of the cannabis licenses ("**Licenses**") held by its subsidiary, Natural Ventures PR, LLC ("**Natural Ventures**"), remain subject to the administrative review ("**Review**") being undertaken by the Puerto Rico Department of Health. The Company has now taken the step of instructing its Puerto Rico legal team to apply to the Puerto Rico Superior Court, San Juan, for an order establishing that the Puerto Rico Department of Health's actions in regard to the Review are not consistent with the legal and regulatory framework applicable to the Licenses.

**Item 5            Full Description of Material Change**

**5.1                Full Description of Material Change**

On December 9, 2019, the Company announced, further to a news release dated November 1, 2019, that certain of the Licenses held by its subsidiary, Natural Ventures, remain subject to the Review being undertaken by the Puerto Rico Department of Health, and that the Company has now taken the step of instructing its Puerto Rico legal team to apply to the Puerto Rico Superior Court, San Juan, for an order establishing that the Puerto Rico Department of Health's actions in regard to the Review are not consistent with the legal and regulatory framework applicable to the Licenses.

The Licenses effectively remain in abeyance, as Natural Ventures is not permitted to carry out any licensed activities under the Licenses, though Natural Ventures is permitted to carry out certain activities for the purposes of preserving and maintaining inventory.

**5.2                Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

**Item 7**      **Omitted Information**

No significant facts have been omitted from this report.

**Item 8**      **Executive Officer**

Eli Dusenbury, Chief Financial Officer  
Telephone: 604-398-3378

**Item 9**      **Date of Report**

December 13, 2019