

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

Item 1 Name and Address of Company

Chemesis International Inc. (the “**Company**”)
Suite 2200, 885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

Item 2 Date of Material Change

July 3, 2020

Item 3 News Release

The news release attached hereto as Schedule “A” announcing the material change described herein was disseminated through the news dissemination services of Stockwatch and Baystreet on July 9, 2020.

Item 4 Summary of Material Change

The Company announced that, further to its news releases dated May 19, 2020, and May 21, 2020, it has now completed its non-brokered private placement resulting in a total issuance of 5,235,300 units at a price of \$0.50 per unit for gross proceeds totaling \$2,617,650.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please see the news release attached as Schedule “A” for a full description of the material change.

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

Not applicable.

Item 8 Executive Officer

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

Item 9 Date of Report

July 17, 2020

SCHEDULE "A"



Chemesis International Inc. Closes Private Placement

July 9, 2020

Vancouver, BC – [Chemesis International Inc.](#) (CSE: CSI) (OTC: CADMF) (FRA: CWAA) (the "Company" or "Chemesis"), is pleased to announce that, further to its news releases dated May 19, 2020, and May 21, 2020, it has now completed its non-brokered private placement resulting in a total issuance of 5,235,300 units ("Units") at a price of \$0.50 per Unit for gross proceeds totaling \$2,617,650.

Each Unit consisted of one common share in the capital of the Company and one common share purchase warrant (each, a "Warrant") with each Warrant entitling the holder thereof to purchase one additional common share (each, a "Warrant Share") of the Company at a price of \$1.00 per Warrant Share for a period of 24 months following issuance.

The Company has paid finder's fees totaling \$35,000 and issued an aggregate of 70,000 finder's warrants (the "Finder's Warrants") to an arm's-length party. Each Finder's Warrant is exercisable into one common share in the capital of the Company until July 3, 2022.

All securities issued are subject to a statutory hold period of four months from the date of issue, in accordance with applicable securities legislation, expiring November 4, 2020. The proceeds from the private placement offering are intended for general working capital.

In addition, further to its news release dated June 2, 2020, the Company announces it has settled its previously announced outstanding accounts payable liabilities. An aggregate of CDN \$671,800 and USD \$1,077,378 have been satisfied through the issuance of 2,233,218 common shares in the capital of the Company effective June 2, 2020 (the "Debt Settlements"). The common shares issued in connection with the Debt Settlements also are subject to a statutory hold period of four months from the date of issue, in accordance with applicable securities legislation, expiring October 3, 2020.

On Behalf of The Board of Directors

Josh Rosenberg
President

About Chemesis International Inc.

Chemesis focuses on prudent capital allocations to ensure it maintains second mover advantage as it enters new markets with a proven lift & shift consumer focused model deployed with the objective a being #1 or a strong #2 in every market in which we compete. Chemesis leverages a portfolio of strong consumer brands to recruit, retain, & grow share of wallet with a proven consumer loyalty platform. Chemesis is focused on scalable growth within our business operations through disciplined investment of both insource and outsourced levers to maximize use of capital. This includes our retail strategy of coalescing dispensary and alternative route to market.

Chemesis and its team are committed to building a strong unattended and attended retail model for the cannabis market across the United States and Puerto Rico. Chemesis' retail brand, Green Spirit Rx, will continue to provide consumers with industry-leading technology, the most sought-after products and continued education.

Investor Relations:

ir@chemesis.com

1 (604) 398-3378

Forward-Looking Information: This news release contains "forward-looking information" within the meaning of applicable securities laws relating to statements regarding the Company's business, products and future of the Company's business, its product offerings and plans for sales and marketing, including with respect to the Company's expectations regarding its supply and distribution arrangements, ability to realize benefits from its recent contractual arrangements, its plans to continue to develop dispensaries in Puerto Rico, and its ability to obtain licenses in additional jurisdictions. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking information. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance and developments to differ materially from those contemplated by these statements depending on, among other things, the risks that the Company's products and plan will vary from those stated in this news release and the Company may not be able to carry out its business plans as expected, including, but not limited to, in relation to executing on and maintaining its supply and distribution arrangements and recent contractual arrangements, in relation to developing dispensaries in Puerto Rico, and its ability to obtain licenses in additional jurisdictions. Except as required by law, the Company expressly disclaims any obligation and does not intend to update any forward-looking statements or forward-looking information in this news release. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct and makes no reference to profitability based on sales reported. The statements in this news release are made as of the date of this release.

The CSE has not reviewed, approved or disapproved the content of this press release