

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. Name and Address of Company

Chemesis International Inc. (“**Chemesis**” or the “**Company**”)
P.O. Box 17559,
Vancouver, BC V6E 0B2

ITEM 2. Date of Material Change

January 19, 2021

ITEM 3. News Release

The Company disseminated news release in respect of the material change on January 19, 2021 and such news releases were subsequently filed on SEDAR.

ITEM 4. Summary of Material Change

On January 19, 2021, the Company announced that it has closed a non-brokered private placement (the “**Private Placement**”) of 3,687,419 units (“**Units**”) at a price of USD \$0.255 (CAD \$0.325) per Unit for gross proceeds of CAD \$1,200,000.

The Company also announced that it has entered into debt settlement agreements with certain convertible debenture holders and other creditors, pursuant to which it has discharged an aggregate total indebtedness of CDN \$1,289,848, (the “**Debt Settlements**”).

ITEM 5. Full Description of Material Change

On January 19, 2021, the Company announced that it has closed a non-brokered private placement (the “**Private Placement**”) of 3,687,419 units (“**Units**”) at a price of USD \$0.255 (CAD \$0.325) per Unit for gross proceeds of CAD \$1,200,000. Each Unit is comprised of one common share and one common share purchase warrant (the “**Warrants**”). Each Warrant is exercisable for one common share at a price of USD \$0.34 for a period of 24 months.

The proceeds of the Private Placement will be used by the Company for general ongoing working capital and to have cash on hand to fund potential future acquisition opportunities.

The Company also announced that it has entered into debt settlement agreements with certain convertible debenture holders and other creditors, pursuant to which it has discharged an aggregate total indebtedness of CDN \$1,289,848, (the “**Debt Settlements**”) on the following basis:

- CDN \$619,723 in convertible debt for services rendered through the issuance of an aggregate total of 1,912,106 common shares of the Company at a deemed price of USD \$0.255 (CAD \$0.325) per common share to certain creditors of the Company.
- USD \$21,949.91 in debt for services rendered through the issuance of 33,257 common shares of the Company at a deemed price of USD \$0.66 per common share owed to a creditor of the Company.

- USD \$648,175.44 in debt for services rendered through the issuance of 939,385 common shares of the Company at a deemed price of USD \$0.69 per common share owed to a creditor of the Company.

The securities issued pursuant to the Private Placement and Debt Settlements are subject to a four month hold period from the date of issuance.

ITEM 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

ITEM 7. Omitted Information

There are no significant facts required to be disclosed herein which have been omitted.

ITEM 8. Executive Officer

For further information, please contact:

Name: Eli Dusenbury, Chief Financial Officer
Telephone: 778-953-4191

ITEM 9. Date of Report

January 22, 2021

CHEMESIS INTERNATIONAL INC.

Per: //Eli Dusenbury//

Eli Dusenbury
Chief Financial Officer

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, to further market its VICKI solutions, or to better enhance shareholder value through the marketing of its VICKI solutions 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 including, among other things, the risks that the Company may not be able to further market its VICKI solutions, that focussing greater resources and attention to the marketing of the VICKI solutions may not better enhance shareholder value, and that the Company’s products and plans will vary significantly as a result. 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.*