

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

**Item 1            Name and Address of Company**

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

**Item 2            Date of Material Change**

September 1, 2022

**Item 3            News Release**

The Company disseminated a news release announcing the material change described herein through the news dissemination services of Stockwatch on September 2, 2022, and a copy was subsequently filed on SEDAR.

**Item 4            Summary of Material Change**

The Company announced it has closed its non-brokered private placement (the “**Private Placement**”) by issuing an aggregate of 14,000,000 units (the “**Units**”) at a price of \$0.10 per Unit for total gross proceeds of \$1,400,000. Each Unit consists of one common share in the capital of the Company (a “**Share**”) and one Share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one additional Share at a price of \$0.12 until September 1, 2024. The Shares and Warrants issued pursuant to the Private Placement are subject to a four-month hold period expiring on January 2, 2023.

The Company also announced it has entered into debt settlement agreements with certain officers, directors and consultants of the Company pursuant to which it has settled approximately \$839,568 of debt incurred for services rendered to the Company through the issuance of 8,395,683 Shares at a deemed price of \$0.10 per Share.

In addition, the Company has paid \$90,000 and has issued 250,000 Shares to GeoMap in accordance with the terms of the property option agreement disclosed in the Company’s Notice of Meeting and Information Circular for the Special Meeting of Shareholders dated May 17, 2022, available for viewing under the Company’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Item 5            Full Description of Material Change**

**5.1                Full Description of Material Change**

The Company announced it has closed its previously announced non-brokered private placement (the “**Private Placement**”) by issuing an aggregate of 14,000,000 units (the “**Units**”) at a price of \$0.10 per Unit for total gross proceeds of \$1,400,000. Each Unit consists of one common share in the capital of the Company (a “**Share**”) and one Share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one additional Share at a price of \$0.12 until September 1, 2024. The Shares and Warrants issued pursuant to the Private Placement are subject to a four-month hold period expiring on January 2, 2023.

The Company intends to use the net proceeds from the Private Placement to fund the cash payments and exploration expenditures required to be made during the first year of the property option agreement (the “**Property Option Agreement**”) dated April 18, 2022, with Geomap Exploration Inc. (“**Geomap**”) in order

to maintain the Property Option Agreement in good standing, and for working capital and general corporate purposes, all as more particularly described in the Company's Notice of Meeting and Information Circular for the Special Meeting of Shareholders dated May 17, 2022 (the "**Circular**") and filed under the Company's profile on [www.sedar.com](http://www.sedar.com).

No finder's fees or commissions were paid with respect to the Private Placement.

#### Issuance of Shares Pursuant to Property Option Agreement

Following approval by the Company's shareholders of the Company's entrance into the Property Option Agreement and change of business to a mineral exploration and development company (the "**COB**"), the Company announces that it has paid to Geomap \$90,000 and has issued to Geomap 250,000 Shares. The payment and share issuance was made pursuant to the terms of the Property Option Agreement, the material terms of which were disclosed in the Circular.

#### Debt Settlement

The Company also announces that it has entered into debt settlement agreements with certain officers, directors and consultants of the Company pursuant to which it has settled approximately \$839,568 of debt incurred for services rendered to the Company through the issuance of 8,395,683 Shares at a deemed price of \$0.10 per Share (the "**Debt Settlement**"). The Shares issued pursuant to the Debt Settlement are subject to a four-month hold period expiring on January 2, 2023.

#### Related Party Transaction Disclosure

Certain insiders of the Company subscribed for Units under the Private Placement, in an aggregate amount of 1,815,000 Units. Additionally, \$599,284 of debt owing by the Company to certain insiders of the Company was settled for 5,992,839 Shares as part of the Debt Settlement. Accordingly, the Private Placement and the Debt Settlement constituted "related party transactions" under applicable Canadian securities laws. The Company is relying on the exemptions from the formal valuation and minority approval requirements found in sections 5.5(a) and 5.7(1)(a) of Multilateral Instrument 61-101 – Protection of Minority Securityholders in Special Transactions, as the fair market value of the Private Placement and the Debt Settlement (in so far as they involved insiders of the Company) was not more than 25% of the Company's market capitalization.

Each of the Private Placement and the Debt Settlement was approved by the Company's Board of Directors, and there was no materially contrary view or abstention by any director in approving the Private Placement and Debt Settlement (except for abstentions required in accordance with applicable corporate laws governing conflicts of interest). In connection with the Private Placement, the insiders participating in the Private Placement entered into subscription agreements with the Company containing customary provisions, and on the same terms as the arm's length subscribers under the Private Placement. In connection with the Debt Settlement, each insider participating in the Debt Settlement entered into a debt settlement agreement with the Company containing customary provisions, and on the same terms as the arm's length participants in the Debt Settlement.

The Company has not previously filed a material change report in connection with either the Private Placement or the Debt Settlement, which the Company deems reasonable in the circumstances given the business imperative for the Company to increase its cash position and reduce its liabilities.

The news release did not constitute an offer to sell or solicitation of an offer to sell any Units or Shares in the United States. The Units and Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws and may not

be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws, or where an exemption from such registration is available.

## **5.2 Disclosure for Restructuring Transactions**

Not applicable.

## **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 Eli Dusenbury, Chief Financial Officer of the Company, at 604-398-3378 or via email to [ir@chemesis.com](mailto:ir@chemesis.com).

## **Item 9 Date of Report**

September 8, 2022

### Forward-Looking Information Caution

*Certain statements and information disclosed above contain constitute "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information is information regarding possible events, conditions or results of operations that are based upon assumptions about future conditions and courses of action. All statements and information other than statements of historical fact may be forward-looking information. In some cases, forward-looking information can be identified by the use of words such as "seek", "expect", "anticipate", "budget", "plan", "estimate", "continue", "forecast", "intend", "believe", "predict", "potential", "target", "may", "could", "would", "might", "will" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook.*

*Forward-looking information above includes, but is not limited to, the Company's intended use of the net proceeds from the Private Placement. Such forward-looking information is based on a number of material factors and assumptions, including, but not limited to: that the Company's planned exploration activities will proceed as currently anticipated, that the Company will satisfy the first year expenditure requirements under the Property Option Agreement in order to maintain the Property Option Agreement in good standing and that the Company will not use the net proceeds from the Private Placement to finance other aspects of the Company's business or other business opportunities.*

*Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in such forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and you are cautioned not to place undue reliance on the forward-looking information contained herein. Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements above, include, but are not limited to: that mineral exploration is uncertain and involves a high degree of risk, and that the Company may change its exploration plans or to cease exploration entirely with respect to a mineral property; and that the Company has discretion over the net proceeds raised pursuant to the Private Placement, and may choose or be required to spend the net proceeds in a different manner than is described in this press release.*

*Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in the forward-looking information, you are cautioned that this list is not exhaustive and there may be other factors that the Company has not identified. Furthermore, the Company undertakes no obligation to update or revise any forward-looking information included above if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.*