

Form 51-102F3
Material Change Report
Section 7.1 of National Instrument 51-102
Continuous Disclosure Obligations

- Item 1 Name and Address of Company
- CANADIAN ENERGY MATERIALS CORP.**
#750 - 1095 West Pender Street
Vancouver, BC V6E 2M6
- Item 2 Date of Material Change December 21, 2018
- Item 3 News Release
- Issued and distributed through the facilities of Market News Publishing Inc. and Stockwatch on December 21, 2018.
- Item 4 Summary of Material Change
- The Issuer is pleased to announce that it has acquired the 3,846-hectare Grindstone copper-nickel-cobalt project located in an underexplored region of northwestern New Brunswick, Canada through the acquisition by the Company of all of the outstanding shares of CIN Energy Materials Inc. ("**CIN Energy**"). The Company closed the acquisition by share exchange agreement previously announced in a news release dated September 18, 2018 with CIN Energy and the shareholders of CIN Energy, whereby all outstanding shares of CIN Energy were exchanged for securities of the Company (the "**Transaction**").
- Concurrent with the Transaction, the Company closed its non-brokered private placement of units and flow-through units for aggregate proceeds of \$551,409.95.
- Item 5.1 Full Description of Material Change
- See attached news release
- Item 5.2 Disclosure for Restructuring Transactions
- N/A
- Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102
- N/A
- Item 7 Omitted Information N/A
- Item 8 Executive Officer
- Michael E. Schuss
Telephone: (604) 241-2254
- Item 9 Date of report:
- December 27, 2018



Canadian Energy Materials Corp.

December 21, 2018
News Release

For Immediate Release
TSX-V: CHEM

Canadian Energy Materials Corp. announces closing of its acquisition of the Grindstone Copper-Nickel-Cobalt-Project and concurrent Private Placement financing of \$551,409.95

December 21, 2018 – Vancouver, British Columbia – Canadian Energy Materials Corp. (the “Company”) (TSX-V: CHEM) is pleased to announce that it has acquired the 3,846-hectare Grindstone copper-nickel-cobalt project located in an underexplored region of northwestern New Brunswick, Canada through the acquisition by the Company of all of the outstanding shares of CIN Energy Materials Inc. (“**CIN Energy**”). The Company closed the acquisition by share exchange agreement (the “**Share Exchange Agreement**”) previously announced in a news release dated September 18, 2018 with CIN Energy and the shareholders of CIN Energy, whereby all outstanding shares of CIN Energy were exchanged for securities of the Company (the “**Transaction**”) on a 1:1 basis, which constituted a “Fundamental Acquisition” as defined in the policies of the TSX Venture Exchange (the “**TSXV**”) by the Company. The Transaction was an arm’s length transaction and approved by the TSXV. Concurrently, the Company has filed a technical report in respect of the Grindstone Project.

At closing of the Transaction, the Company issued to the shareholders of CIN Energy a total of 12,000,000 common shares of the Company in exchange for acquiring 100% of the outstanding securities of CIN Energy. CIN Energy is now a wholly-owned subsidiary of the Company

Private Placement

Concurrent with the Transaction, the Company closed its non-brokered private placement of units (“**Units**”) and flow-through units (“**FT Units**”) for aggregate proceeds of \$551,409.95 (the “**Private Placement**”).

The Company issued 2,142,733 Units at a price of \$0.15 per Unit for gross proceeds of \$321,409.95. Each Unit is comprised of one common share of the Company and one-half of one

transferable common share purchase warrant (“**Warrant**”). Each Warrant entitles the holder thereof to acquire one common share (“**Warrant Share**”) at a price of \$0.25 per Warrant Share for a period of 24 months following the closing date. The Company also issued 1,150,000 FT Units at a price of \$0.20 per FT Unit for gross proceeds of \$230,000.00. Each FT Unit is comprised of one common share of the Company that will be a “flow-through share” under the *Income Tax Act* (Canada) and one-half of one transferable common share purchase warrant (“**FT Warrant**”). Each FT Warrant entitles the holder thereof to acquire one (non-flow-through) common share (“**FT Warrant Share**”) at a price of \$0.35 per FT Warrant Share for a period of 24 months following the closing date. The proceeds of the flow-through financing will be used for exploration on the Company’s Canadian properties, include the Grindstone Project. All securities issued in the private placement have a hold period of four months and a day from closing.

Finder’s fees were paid by the Company on a portion of the Private Placement and a total of 139,952 non-transferable finders’ warrants were issued to finders and cash commissions of \$23,092.80 were paid.

Additionally, the Company provided Altus Capital Partners with 666,666 Units (each Unit is comprised of one common share and one-half of a share purchase warrant exercisable at \$0.25 for 2 years) as a transaction advisory fee for assisting with the Transaction including introducing CIN Energy to the Company.

ON BEHALF OF THE BOARD

“*Michael E. Schuss*”
President & Chief Executive Officer

For further information, please contact:

Canadian Energy Materials Corp.
Phone: 604-241-2254
Email: info@canadianenergymaterials.com
Website: www.canadianenergymaterials.com

Forward-looking Information

This news release contains projections and forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company. The following are important factors that could cause the Company’s actual results to differ materially from those expressed or implied by such forward looking statements; the uncertainty of future profitability; and the uncertainty of access to additional capital. These risks and uncertainties could cause actual results and the Company’s plans and objectives to differ materially from those expressed in the forward-looking information. Actual results and future events could differ materially from anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and expressed qualified in their entirety by this notice. The Company assumes no obligation to

update forward-looking information should circumstances or management's estimates or opinions change.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.