

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Bri-Chem Corp. (the “Company”)
27075 Acheson Road
Acheson, Alberta, Canada
T7X 6B1

2. Date of Material Change

July 17, 2020

3. News Release

The news release dated July 16, 2020 was filed with the Toronto Stock Exchange and the British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island Securities Commissions via SEDAR and disseminated via Cision.

4. Summary of Material Change

Bri-Chem Corp, a North American oilfield chemical distribution and blending company, is pleased to announce the closing of a \$6.25 million term loan with Canadian Imperial Bank of Commerce (“CIBC”) under the Canadian Government Business Credit Availability Program (“BCAP”) and that we have reached an agreement with CIBC to extend the term of our Asset Based Lending Facility (“ABL Facility”) to October 31, 2021.

In addition, Bri-Chem Corp amended its subordinated debt facility which includes the issuance of 2,500,000 warrants at an exercise price of \$0.10.

5. Full Description of Material Change

(a) Full Description of Material Change

Refer to the Press Release attached hereto as Schedule A.

(b) Disclosure for Restructuring Transactions

N/A

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

The Company is not relying on subsection 7.1(2) or (3) of National Instrument 51-102.

7. Omitted Information

No information has been omitted on the basis that it is confidential information.

8. Executive Officer

Jason Theiss, Chief Financial Officer
Ph: (780) 571-8587

9. Date of Report

July 27, 2020

Schedule A

Bri-Chem Announces Closing of \$6.25M BCAP Term Loan and Extension of Senior Credit Facility

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Edmonton, Canada, July 17, 2020 – Bri-Chem Corp. (“Bri-Chem” or “Company”) (TSX: BRY), a North American oilfield chemical distribution and blending company, is pleased to announce the closing of a \$6.25 million term loan (the “BCAP Loan”) with Canadian Imperial Bank of Commerce (“CIBC”) under the Canadian Government Business Credit Availability Program (“BCAP”) and that we have reached an agreement with CIBC to extend the term of our Asset Based Lending Facility (“ABL Facility”) to October 31, 2021. The Company and Greypoint Capital Inc. (“Greypoint”) have also agreed to certain amendments and additional terms to the Company’s current subordinated term loan with Greypoint in the aggregate principal amount of \$7,866,667 (“Sub Debt Loan”).

ABL Facility and Sub Debt Loan

Bri-Chem's senior secured ABL Facility, which was scheduled to mature on October 31, 2020 has been extended through to October 31, 2021. The Company and CIBC have agreed to amend certain conditions and covenants of the ABL Facility as of the date hereof.

In addition, the Company and Greypoint have agreed to certain amendments to the Sub Debt Loan, including but not limited to a 2.0% payment-in-kind (PIK) interest on the Sub Debt Loan until loan maturity, the amendment of certain financial covenants and the issuance of 2,500,000 Bri-Chem warrants (the “Warrants”) to Greypoint. The Warrants are exercisable into common shares of Bri-Chem at a price of \$0.10 per share for a period of 4 years from the date of issuance.

\$6.25 million term loan under the Canadian Government Business Credit Availability Program

The BCAP Loan, which is administered by CIBC, is backed by the Canadian Government under the BCAP. Pursuant to the program, 80% of the principal of the BCAP Loan is guaranteed by The Business Development Bank of Canada. The BCAP Loan bears interest at a rate of 2.25% above CIBC’s prime lending rate. The term of the BCAP Loan is 10 years and is interest only for the first 12 months. Under the terms of BCAP, the proceeds of the BCAP Loan must be used to finance operations and can be used to make normally scheduled interest and principal payments, as well as ordinary-course debt payments. Proceeds from the BCAP Loan cannot be used to refinance existing debt.

About Bri-Chem

Bri-Chem has established itself, through a combination of strategic acquisitions and organic growth, as the North American industry leader for wholesale distribution and blending of oilfield drilling, completion, stimulation and production chemical fluids. We sell, blend, package and distribute a full range of drilling fluid products from 26 strategically located warehouses throughout Canada and the United States. Additional information about Bri-Chem is available at www.sedar.com or at Bri-Chem's website at www.brichem.com.

To receive Bri-Chem news updates send your email to ir@brichem.com.

For further information, please contact:

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