

## 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**

December 20<sup>th</sup>, 2022

**3. News Release**

The news release dated December 21, 2022 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 Newsfile.

**4. Summary of Material Change**

5. Edmonton, Canada, December 21, 2022 – Bri-Chem Corp. (“Bri-Chem” or “Company”) (TSX: BRY), a leading North American oilfield chemical distribution and blending company, is pleased to announce the amendment of its senior credit facility (“ABL Facility”) with the Canadian Imperial Bank of Commerce (“CIBC”). The borrowing base has been amended and increased to \$37.5 million from \$25 million to better accommodate inventory stockpiling in support of the expected increase in North American business activity, the \$3.0 million availability block, imposed on the previous facility, has been removed and the tangible net worth covenant has been replaced with a fixed charge coverage ratio covenant of 1.0, tested on a rolling 12-month basis. The ABL Facility is committed until October 31, 2024.

**6. 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

**7. 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.

**8. Omitted Information**

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

**9. Executive Officer**

Tony Pagnucco, Chief Financial Officer  
Ph: (780) 571-8587

**10. Date of Report**

December 21, 2022

## Schedule A

### **Bri-Chem Announces Amendment and Increase to Senior Credit Facility**

*NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.*

**Edmonton, Canada, December 21, 2022 – Bri-Chem Corp. (“Bri-Chem” or “Company”)** (TSX: BRY), a leading North American oilfield chemical distribution and blending company, is pleased to announce the amendment of its senior credit facility (“ABL Facility”) with the Canadian Imperial Bank of Commerce (“CIBC”). The borrowing base has been amended and increased to \$37.5 million from \$25 million to better accommodate inventory stockpiling in support of the expected increase in North American business activity, the \$3.0 million availability block, imposed on the previous facility, has been removed and the tangible net worth covenant has been replaced with a fixed charge coverage ratio covenant of 1.0, tested on a rolling 12-month basis. The ABL Facility is committed until October 31, 2024.

The ABL Facility bears interest in two tiers, either at the Canadian prime rate plus 0.50% or bankers’ acceptance and SOFR rate plus 2.00%, or when in the last 20% of average availability for a fiscal quarter, at the Canadian prime rate plus 0.75% or bankers’ acceptance and SOFR rate plus 2.25%. The ABL Facility is secured by a general security agreement covering all present and after acquired inventory and receivables, as well as a postponement of claims from related parties. There is a standby fee of 0.25% on unused amounts of the ABL Facility.

"We are very pleased that we have the opportunity to increase our ABL Facility with CIBC," said Don Caron, Chief Executive Officer of Bri-Chem. "The support exhibited by CIBC over the past several years has been unwavering and we appreciate having them as our senior financial partner. The increase in funds will be resourcefully deployed as we move into an anticipated busy Q1 2023."

#### **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](http://www.sedar.com) or at Bri-Chem’s website at [www.brichem.com](http://www.brichem.com).

To receive Bri-Chem news updates send your email to [ir@brichem.com](mailto:ir@brichem.com).

For further information, please contact:

**Tony Pagnucco CPA, CA**

**Bri-Chem Corp.**

CFO

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## ***Forward-Looking Statements***

*Certain statements contained in this press release constitute forward-looking information or forward-looking statements (collectively, "forward-looking statements"). These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking statements and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially.*

*Although the Company believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. By their nature, such forward-looking statements are subject to various risks and uncertainties, which could cause actual results to differ materially from the anticipated results or expectations expressed herein. These risks and uncertainties, include, but are not limited to general economic conditions, prevailing and anticipated industry conditions, access to debt and equity financing on acceptable terms, levels and volatility of commodity prices, maintained demand for drilling fluids, market forces, ability to achieve geographic expansion through new warehouse locations, anticipated impact of new warehouse locations, ability to obtain equipment from suppliers, ability to maintain negotiating power with suppliers and customers, ability to obtain and retain skilled personnel, competition from other industry participants and regulatory conditions. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this press release or otherwise. Except as required by applicable law, the Company does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.*