Form 51-102F3
Material Change Report

1. **Name and Address of Company**

Gem International Resources Inc. (the "Company")
3467 Commercial Street
Vancouver, BC
V5N 4E8

2. **Date of Material Change**

July 25, 2016

3. **News Release**

A news release was issued on July 25, 2016 and disseminated through Canada Stockwatch and Market News.

4. **Summary of Material Change**

The Company closes $400,000 second tranche financing.

5. **Full Description of Material Change**

The Company has closed the second tranche of its non-brokered private placement through the issuance of 8,000,000 units at a price of $0.05 per unit for gross proceeds of $400,000. Each unit consists of one common share and one share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company for a term of two years from the date of closing at a price of $0.15 per share. All of the securities issued under the private placement are subject to a four-month hold period expiring November 23, 2016.

The Company has now completed the non-brokered private placement consisting of the issuance of a total of 24,120,000 units for gross proceeds of $1,206,000.

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

Not applicable

7. **Omitted Information**

Not applicable

8. **Executive Officer**

Simon Tam, President
(604) 871-9916

9. **Date of Report**

July 25, 2016