

**PHARMCHEM, INC.
2411 E. LOOP 820 N.
FORT WORTH, TX 76118
(855) 458-4100**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON AUGUST 16, 2023**

TO THE STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders (the "Meeting") of PharmChem, Inc., a Delaware corporation (the "Company"), will be held at 10:00 a.m. local time, August 16, 2023, at The Embassy Suites DFW South, 4650 W. Airport Freeway, Irving TX 75062, for the following purposes:

1. To elect directors to serve for the ensuing year and until their successors are duly elected and qualified.
2. To ratify the appointment of Whitley Penn LLP as independent auditors for the Company for its 2023 fiscal year.
3. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The foregoing items of business are more fully described in the Proxy Statement forthcoming.

Only stockholders of record at the close of business on June 30, 2023 are entitled to notice of and to vote at the Meeting.

All stockholders are cordially invited to participate in the Meeting. The meeting will be held both in person and virtually. If you would like to join the meeting online, please contact Shana Veale, CFO, at sveale@pharmchem.com for the Microsoft Teams meeting link.

To assure your representation at the Meeting, you are urged to vote as promptly as possible either online, by phone or by mail. Refer to the proxy card forthcoming for complete voting instructions. NOTE: You must have your control number (printed on the proxy card) to vote using the web or by phone.



Tice Brown
Chairman

Fort Worth, Texas
July 17, 2023

IMPORTANT: Whether or not you plan to participate in the Meeting, you are requested to vote as described above.

To Our Stockholders:

We are pleased to invite you to the Annual Meeting of Stockholders (the “Meeting”) of PharmChem, Inc., a Delaware corporation (the “Company”), to be held at 10:00 a.m., local time, on August 16, 2023, at The Embassy Suites DFW South, 4650 W. Airport Freeway, Irving TX 75062 and at any adjournment thereof, for the purposes set forth herein and in the accompanying Notice of the Meeting of Stockholders.

INFORMATION CONCERNING SOLICITATION AND VOTING

Revocability of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivering to the Secretary of the Company a written notice of revocation or a duly executed proxy bearing a later date or by attending the Meeting and voting in person.

Record Date

Stockholders of record at the close of business on June 30, 2023 are entitled to notice of the Meeting and to vote at the Meeting. At the record date, 4,995,085 shares of the Company’s Common Stock were issued and outstanding.

Voting and Solicitation; Quorum

As permitted under Delaware law, the Bylaws of the Company do not provide for cumulative voting for the election of directors. Each stockholder of record is entitled to one vote for each share held. The presence, in person or by proxy, of a majority of shares outstanding on the record date constitutes a quorum to transact business at the Meeting.

For shares held in “street name” through a broker or other nominee, the broker or nominee is generally required to vote such shares in the manner directed by its customer. In the absence of timely customer direction, the broker or nominee is permitted to exercise voting discretion only with respect to “routine” matters to be acted upon and is not permitted to exercise voting discretion with respect to “non-routine” matters. If a stockholder does not give timely customer direction to its broker or nominee with respect to a “non-routine” matter, the shares represented thereby (“broker non-votes”) cannot be voted by the broker or nominee but will be counted in determining whether there is a quorum. Of the matters described in this Proxy Statement, Matter One is considered a “non-routine” matter, while Matter Two is considered a “routine” matter.

An automated system administered by the Company’s transfer agent tabulates the proxies received prior to the date of the Meeting. Proxies received on the date of the Meeting at or prior to the time of voting are tabulated manually by a representative of the Company.

The cost of soliciting proxies will be borne by the Company. In addition, the Company may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. Proxies may be solicited by certain of the Company’s directors, officers, and regular employees, without additional compensation, personally or by telephone or facsimile. The Company may also retain a professional solicitor to assist in the solicitation of proxies.

Deadline for Receipt of Stockholder Proposals

Proposals of stockholders of the Company which are intended to be presented by such stockholders at the Company's 2023 Annual Meeting of Stockholders (the "2023 Meeting") must have been received by the Company no later than May 18, 2023 and must otherwise comply with the Company's Bylaws in order to be brought before the 2023 Meeting. The Company's Bylaws provide that, to be timely, a stockholder's notice of a proposal to be presented at an annual meeting must be delivered to and received by the Secretary of the Company at least ninety days in advance of the anniversary date of the preceding year's annual meeting. Such advance notice must be delivered to and received by the Secretary of the Company, 2411 E. Loop 820 N., Fort Worth, TX 76118, no later than June 2, 2023 in order to be timely for the 2023 Meeting.

The Bylaws of the Company further require that such a proposal, among other things, include (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address, as they appear on the Company's books of the stockholder proposing such business, (iii) the class and number of shares of the Company which are beneficially owned by the stockholder, (iv) any material interest of the stockholder in such business, and (v) if applicable, any other information that is required to be provided by the stockholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, in such stockholder's capacity as a proponent of a stockholder proposal.

Any description in this notice of the Company's Bylaws is not, and does not purport to be, a complete summary of the applicable provisions and is qualified in its entirety by reference to the text of such provisions in the Company's Bylaws.

COMMON STOCK

The Company's common stock trades on the "Pink Current Information" level of the OTC Pink Marketplace under the symbol PCHM.

MATTER ONE:

ELECTION OF DIRECTORS

Board Nominees

A Board of four (4) directors is to be elected at the Meeting. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the Board's four (4) nominees named below. If any nominee of the Board is unable or declines to serve as a director at the time of the Meeting, the proxies will be voted for any nominee who is designated by the present Board to fill the vacancy. It is not expected that any nominee will be unable or will decline to serve as a director. The term of office of each person elected as a director will continue until the next Annual Meeting of Stockholders or until a successor has been elected and qualified.

<u>Name</u>	<u>Age</u>	<u>Director Since</u>	<u>Principal Occupation</u>
Tice P. Brown	35	2021	Chairman
R. Thompson Clark	34	2021	Qualified Investor
Matthew Katz	34		PharmChem, Inc. CEO
James Ford	43		First Ballantyne President and Managing Partner

Tice P. Brown has been a member of the Board of Directors of the Company since 2021 serving as the Chairman of the Board. Mr. Brown is a lawyer and private investor. Mr. Brown graduated from Harvard with an undergraduate degree in Chemistry in 2010 and from Harvard Law School with a J.D. in 2013. Currently, and since 2016, Mr. Brown has managed and owned Woodmont Partners, a portfolio of public and private investments focused on real estate and small operating businesses across the South and Midwest. Before his work with Woodmont Partners, Mr. Brown was an investor and served as a research analyst. Along with a background in Chemistry and Law, Mr. Brown brings experience in public markets investing and debt financing to the Board. Mr. Brown is the largest individual stockholder of PharmChem, owning 32.7% of the shares outstanding.

R. Thompson Clark has been a member of the Board of Directors of the Company since 2021. Mr. Clark has served since 2020 as the President and CEO of Free Time Hobbies, Inc., an online retailer that provides a broad range of products and supplies for hobby enthusiasts. In 2019, Mr. Clark served as a Senior Analyst with Choice Equities Capital Management, a boutique hedge fund manager, investing in public equities. From 2016 to 2019, Mr. Clark was a publishing research analyst at Bonner and Partners, a financial newsletter publisher. From 2012 to 2016, Mr. Clark served as a publishing research analyst with Agora Financial and Sidoti & Company, focusing on small and microcap public equities. From 2010 to 2012, Mr. Clark was employed by Deloitte & Touche as an International Tax Consultant. Mr. Clark received a bachelor's in business administration from Emory University. He is a Chartered Financial Analyst (CFA) charterholder and is a Certified Public Accountant (CPA) (inactive). Mr. Clark has extensive experience covering and analyzing small and microcap companies, as well as operating and acquiring small businesses. Mr. Clark owns less than 1% of the shares outstanding.

Matthew Katz has been the Chief Executive Officer of PharmChem since June of 2022. Prior to joining PharmChem, he spent over a decade working in a variety of operational and strategic roles in healthcare. Most recently, he worked in multiple roles at Cigna and its affiliate Evicore with a focus on product-level strategy and development. He received a BA in Economics and Government from Wesleyan University and an MBA from Wharton with a focus on healthcare. Mr. Katz does not own any of the PharmChem outstanding shares, however he was awarded 265,000 options to purchase PharmChem shares upon his acceptance of the Chief Executive Officer role. The options will vest in five (5) equal annual installments.

James Ford, CFA serves as the President and Managing Partner at First Ballantyne, LLC, a registered fixed income broker dealer, a role he has held since 2014. In his capacity at First Ballantyne, he has successfully restructured several distressed bonds in the corporate and municipal sectors. He also manages over a dozen investment traders, analysts, and specialists. Mr. Ford also has extensive experience as a fiduciary while working for various asset management companies, which preceded his time at First Ballantyne, LLC. Mr. Ford has a Bachelor's of Science in Business Administration from the University of North Carolina – Chapel Hill and has been a Chartered Financial Analyst charter holder since 2006. Mr. Ford owns 3% of the shares outstanding.

Current 2022 board members Tim Eriksen and Harris Perlman informed the Board they will not be standing for nomination at the 2023 meeting but will serve out their 2022 terms ending in August 2023. The Company would sincerely like to thank both Mr. Eriksen and Mr. Perlman for their work and wisdom while serving on the board.

Board Meetings

The Board of the Company held a total of four telephonic meetings and one in person meeting during the year ended December 31, 2022. All meetings had full participation of all directors.

Director Nominations

Recommended qualifications for consideration as a board nominee may vary according to the particular areas of expertise being sought as a complement to the existing board composition. However, minimum recommended qualifications include high level leadership experience in business activities, breadth of knowledge about issues affecting the Company, experience on other boards of directors and time available for meetings and consultation on the Company's business matters. The Company seeks a diverse group of candidates who possess the background, skills and expertise to make a significant contribution the Board, the Company and its stockholders. The Board selects and recommends candidates for nomination as directors for stockholders to consider and vote upon at the annual meeting.

The Company's Bylaws provide that a stockholder wishing to nominate a candidate for election to the Board at any meeting must submit a written notice of his or her intent to make such a nomination to the Secretary of the Company to be received at least ninety days in advance of the anniversary date of the prior year's meeting. However, if the date of the current year's meeting has been changed by more than 30 days from the date of the prior year's meeting, then such nomination must be delivered to or mailed and received by the Secretary of the Company no later than 90 calendar days in advance of the date of the current year's meeting or the tenth day following the day on which a public announcement of such meeting is first made. If the date of the 2023 Meeting is not changed by more than 30 days from the date of the 2022 meeting, then such notice of nomination must be mailed to and received by the Secretary of the Company no later than May 18, 2023.

In order to be valid, a stockholder's notice to the Secretary of the Company must set forth (a) as to each person whom the stockholder proposes to nominate (i) his or her name, age, business address and residence address, (ii) his or her principal occupation or employment, (iii) the number of shares of the Company's Common Stock owned beneficially or of record by the person, and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors, and (b) as to the stockholder giving the notice, (i) the name, business address and record address of the stockholder, (ii) the number of shares of the Company's Common Stock that are owned beneficially and of record by such stockholder, (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (iv) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in such notice, and (v) any other information relating to such stockholder required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies for election of directors. Further, such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

Additional Nominees

Stockholders of the Company entitled to vote for the election of directors at the Meeting may nominate additional directors for election. All other notice requirements and nomination procedures set forth in the Company's By-Laws shall continue to be in effect.

Compensation

No director receives compensation for their services on the Board of the Company.

Vote Required; Recommendation of Board of Directors

The affirmative vote of a plurality of the votes duly cast is required for the election of a director. The four nominees receiving the highest number of affirmative votes cast at the Meeting shall be elected as directors for a term ending upon the 2024 Meeting or until their successors have been duly elected and qualified. A properly executed proxy marked "Withhold Authority" with respect to election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum. Broker "non-votes" are counted as present and entitled to vote for purposes of determining a quorum but are not counted for the purposes of the election of directors.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" NOMINEES
TICE P. BROWN, R. THOMPSON CLARK, MATTHEW KATZ AND JAMES FORD.**

MATTER TWO:

RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Board has selected Whitley Penn LLP to audit the financial statements of the Company for 2023.

Fees related to services provided to the Company by Whitley Penn LLP in fiscal year:

	<u>2022</u>
Audit Fees	\$43,636
Tax Fees (tax return preparation)	24,460
Other services	<u>1,000</u>
Total Fees	<u>\$69,096</u>

Vote Required; Recommendation of Board of Directors

The affirmative vote of the holders of stock having a majority of the votes which could be cast by the holders of all stock entitled to vote on Matter Two which are present in person or by proxy at the Meeting will be required for approval of Matter Two. Stockholder ratification of the selection of Whitley Penn LLP as the Company's independent auditors for 2022 is not required by our Bylaws or other applicable legal requirement; however, the Board is submitting the selection of Whitley Penn LLP to stockholders for ratification as a matter of good corporate practice. In the event that the stockholders do not approve the selection of Whitley Penn LLP, the Board will reconsider the appointment of the independent auditors. Even if the selection is ratified, the Board in its discretion may direct the appointment of a different independent auditors at any time during the year if the Board believes that such a change would be in the best interests of the Company and its stockholders. A properly executed proxy marked "Abstain" with respect to Matter Two will not be voted with respect to Matter Two, although it will be counted for purposes of determining whether there is a quorum. An abstention will have the effect of a negative vote.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” RATIFICATION OF THE SELECTION OF WHITLEY PENN LLP.

OTHER MATTERS

The Company knows of no other matters to be submitted to the Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named on the enclosed proxy card to vote the shares they represent in accordance with the best judgment of such persons.

THE BOARD OF DIRECTORS

Fort Worth, Texas
July 17, 2023