

FORM 7

**MONTHLY PROGRESS REPORT**

Name of Listed Issuer: **Chemesis International Inc.** (the "Issuer")

Trading Symbol: **CSI**

Number of Outstanding Listed Securities: **54,609,507** (as at April 30, 2021)

Date: **May 6, 2021**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*The Issuer is a U.S. focused multi-state cannabis company, that is focused on providing an artificially intelligent (AI) based retail solution. The Issuer currently holds exclusive rights to an AI based kiosk which can be deployed in high traffic areas such as, shopping malls, stadiums, transit hubs, workplaces, and large corporate headquarters.*

*The Issuer has strong brand partners that provide high-quality products and services across the United States. The Issuer's Partners allow the Issuer to effectively build strong brand loyalty and reoccurring sales.*

*The Issuer and its team are committed to building a strong unattended and attended retail model for the cannabis market across the United States. The Issuer will continue to provide consumers with industry-leading technology, the most sought-after products and education.*

**During the month of April 2021, the Issuer actively continued general and corporate operations.**

2. Provide a general overview and discussion of the activities of management.

During the month of April 2021, management continued to support and control the Issuer's business activities, develop the Issuer's business, and search for strategic business relationships as further noted below.

On April 8, 2021, the Issuer announced by way of news release it has signed a Letter of Intent ("LOI") with [Elite Vend](#), a fully integrated and nationally recognized vending machine retailer & distributor. Elite Vend will leverage its portfolio of existing and expanding customer base to enhance Chemesis' VICKI platform expansion. In addition, the Elite Vend will provide Chemesis access to its full suite of services which include fulfillment, distribution and servicing.

Through its hands-on approach, Elite Vend has built an extensive network of strong relationships with Golf pro shops & sports related shops and facilities. Elite Vend will work with Chemesis to deploy its sales and distribution resources to identify strategic placements of kiosks across the United States to ensure a successful uptake of machines.

Josh Rosenberg, President of Chemesis commented, "The team is extremely pleased with the continued support and traction the Issuer is getting from vending market veterans. We believe strongly that our business plan will attract many partners who see our vision for the future of vending. We look forward to working with Elite Vend and their team in securing new placements for our VICKI kiosks across the United States."

Elite Vend was established in 2010 and has since grown its presence and now operates in Washington, California, Arizona, and Florida. The team operates numerous large warehouses in each state to ensure fast & efficient service to its customers. Elite Vend provides full-service vending solutions including, office coffee services, water & ice, beverage machines, snacks, and FitPick menus for its customers. Elite Vend specializes in working with local businesses by building long term relationships in its operational markets.

Ryan Wear, CEO of Elite Vend remarked, "The turnkey program provided by Chemesis fits well with our go to market approach and CBD fits our consumers value proposition. It will be a seamless expansion for Elite Vend to add to our portfolio. The product and brand diversity will allow for increased share of consumer wallet as well as penetrating new locations."

The partnership was a result of a previously [announced](#) partnership between the Pelican Group and Chemesis. The Pelican Group acted as Chemesis' sales arm on the Issuer's behalf, and it continues to work with Chemesis by leveraging its extensive network to generate opportunities for its continued expansion.

On April 8, 2021, the Issuer announced by way of news release a brand partnership with [Purek Holdings Corp.](#) (TSX: PKAN) ("PureKana"), one of the top four CBD in brand awareness in the United States. PureKana stands out amongst its competitors and has cultivated a loyal consumer base by sourcing high-quality ingredients, harnessing social media outreach to create strong brand awareness and employing targeted sales strategies.

PureKana has carefully developed a range of products including oils, gummies, capsules, topicals, edibles, vape pens, CBD for pets, CBD bath bombs, and innovative CBD picks. This strong portfolio of products allows PureKana to offer tailored products that meet the demands of its target regional demographics, in addition to operating a highly successful

online marketplace, which continues to grow. As such, PureKana's vision for expansion aligns with that of Chemiesis', to make quality CBD products more accessible to consumers through multiple verticals/platforms.

Kathy Casey, CEO of PureKana Holdings remarked "Partnering with Chemiesis is a major step forward in our distribution and consumer reach capabilities. Many consumer brands are not accessing alternate routes to market to reach new consumers. Being able to access the VICKI kiosk platform will allow PureKana to reach new consumers through non-traditional placements."

PureKana focuses on providing high-quality consumer driven products, and as such Chemiesis will be introducing PureKana's high-quality products as one of its key product offerings for the VICKI platform. This partnership provides Chemiesis the opportunity to broaden its consumer access to quality, safe, and reliable, CBD products that are trusted by its consumers to support a healthy lifestyle. As such, Chemiesis's team will work with PureKana to strategically place its products throughout its vending program across the United States.

"PureKana is a highly regarded brand by consumers and within the industry for their quality and well-branded products," said President of Chemiesis, Josh Rosenberg. "This partnership will allow Chemiesis and PureKana to develop a cohesive strategy to bring high-quality products to consumers through an alternate route to market. Working with a strong brand such as PureKana, will give the VICKI platform another edge over typical brick and mortar dispensaries."

The above noted news releases can be viewed under the Issuer's profile on SEDAR ([www.sedar.com](http://www.sedar.com)). In addition, the above noted news release can be viewed on the Issuer's Disclosure Page on the Canadian Securities Exchange's website.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**None to report during the month of April 2021.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**None to report during the month of April 2021.**

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements, etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**During the month of April 2021, the Issuer entered into a Letter of Intent with Elite Vend, a fully integrated and nationally recognized vending machine retailer & distributor.**

**The Letter of Intent was entered into between the Issuer and Elite Vend by way of arm's length negotiations and is not considered to be a related party transaction.**

**In addition, the Issuer entered into a partnership with PureKana, one of the top four CBD companies in brand awareness in the United States.**

**The partnership entered into between the Issuer and PureKana was entered into by way of arm's length negotiations and is not considered to be a related party transaction.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**None to report during the month of April 2021.**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**None to report during the month of April 2021.**

8. Describe the acquisition of new customers or loss of customers.

**None to report during the month of April 2021.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

**None to report during the month of April 2021.**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**None to report during the month of April 2021.**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**None to report during the month of April 2021.**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None to report during the month of April 2021.**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**During the month of April 2021, the Issuer settled debt in the aggregate amount of \$234,178.67 through the issuance of shares to the creditors.**

**See Item #14 for further details.**

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common Shares	396,913	Common Shares issued at a deemed value of \$0.59 pursuant to debt settlement.	N/A; shares issued in connection with settlement of debt.

*(1) Aggregate proceeds and intended allocation of proceeds*

15. Provide details of any loans to or by Related Persons.

**None to report during the month of April 2021.**

16. Provide details of any changes in directors, officers or committee members.

**None to report during the month of April 2021.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Form 2A - Listing Statement dated July 16, 2018 (the "Listing Statement"), under the heading "Item 17. Risk Factors" and the Issuer's Management Discussion and Analysis dated March 1, 2021 (the "MD&A"), under the heading "Risk Factors". The Listing Statement was posted on the CSE website on July 17, 2018, and the MD&A can be viewed under the Issuer's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Issuer's Disclosure Page in its Form 5, Quarterly Listing Statement, dated March 1, 2021, on the Canadian Securities Exchange's website.**

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## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 6, 2021

Eli Dusenbury  
Name of Director or Senior Officer

/s/ Eli Dusenbury  
Signature

Chief Financial Officer  
Official Capacity

<i>Issuer Details</i> Name of Issuer Chemesis International Inc.	For Month End April 2021	Date of Report YYYY/MM/DD 2021 / 05 / 06
Issuer Address Suite 2200, 885 West Georgia Street Vancouver, British Columbia, V6C 3E8	Issuer Fax No. N/A	Issuer Telephone No. 604-398-3378
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