



Chemesis International Inc. Completes Definitive Agreement for Acquisition of Extraction & Manufacturing Facility, & Provides Update on California Operations

The Completion of these Transactions will allow Chemesis to process over 500,000 kg of Cannabis Annually within the U.S.

April 24, 2019

Vancouver, BC – Chemesis International Inc. (CSE: [CSI](#)) (OTC: [CADMF](#)) (FRA: [CWAA](#)) (the “Company” or “Chemesis”), has completed a definitive agreement in respect of the previously [announced](#) transaction (“Acquisition”) to acquire 100% of a fully-operational extraction and manufacturing facility in Cathedral City, California (“Facility”). The Acquisition will expand the Company’s processing ability to over 500,000 kg of cannabis annually.

The operational and revenue generating, state-of-the-art, Facility is fully licensed, and the closing of the Acquisition is expected to further the Company’s ability to extract THC, CBD and other cannabinoid and terpene products. The Facility utilizes a volatile BHO (‘Butane Hash Oil’) Extraction method that allows for rapid and efficient extraction of cannabinoids from trim. As a result, the Company will be able to provide extraction services for THC & CBD products through both ethanol and BHO extraction processes.

Additionally, the Company has entered into a binding agreement to [increase](#) its ownership interest in its flagship manufacturing facility pursuant to which it will acquire the remaining minority 20% interest it does not currently own (“Buy-Out Transaction”). The facility, which is also located in Cathedral City, California, holds a Type 7: Volatile Solvent Extraction & Manufacturing License and is fully operational, compliant with all regulations, and is revenue-generating.

With these transactions, Chemesis will continue to provide third party manufacturing for brands that are in need of high-quality extraction and multiple product types. Furthermore, the Company also offers brands, distribution, and transportation services through its [Desert Zen](#) facility which, increases efficiency and reduces wait times. Furthermore, these facilities will continue servicing Chemesis’ brands [Jay & Silent Bob’s Private Stash](#) and [California Sap](#).

“Our operations in California have significantly expanded in capacity and capabilities, and the Company will continue to increase its distribution and manufacturing footprint in the state,” said CEO of Chemesis, Edgar Montero. “The state is moving to a regulated market that requires high-quality facilities and extraction processes, and we believe the Company has positioned itself to gain significant traction in a compliant marketplace. The Company also continues to see increasing demand for compliant services that are able to reduce cost, and delivery times by engaging a single operator.”





Under the terms of the Acquisition for the Extraction and Manufacturing facility, Chemesis will issue 4,654,000 common shares and pay \$1,000,000 USD within 90 days of closing. To acquire the remaining minority 20% interest in the Company's flagship facility, Chemesis will issue 1,000,000 common shares. All stock issued through these transactions is subject to 36-month leak-out restriction.

On Behalf of The Board of Directors

Edgar Montero
CEO and Director

About Chemesis International Inc.

Chemesis International Inc. is a vertically integrated global leader in the cannabis industry, currently operating within California, Puerto Rico, and Colombia.

Chemesis is developing a strong foothold in key markets, from cultivation, to manufacturing, distribution and retail. Chemesis has facilities in both Puerto Rico and California, allowing for cost effective production and distribution of its products. In addition, Chemesis leverages exclusive brands and partnerships and uses the highest quality extraction methods to provide consumers with quality cannabis products.

Chemesis will add shareholder value by exploring opportunities in emerging markets while consistently delivering quality product to its consumers from seed to sale.

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Forward-Looking Information: *This news release contains "forward-looking information" within the meaning of applicable securities laws, including in relation to statements regarding the Acquisition, the Buy-Out Transaction, the anticipated benefits of the Acquisition and the Buy-Out Transaction, respectively, the ability to realize any profits or increase to profits from its production facilities the expected size of the CBD market, the Company's ability to increase production of various cannabidiol products, and generally regarding the business, profitability, products and future of the Company's business, its product offerings and plans for revenue generation, sales and marketing, including upon completion of the Acquisition and Buy-Out Transaction, respectively. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking information. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance and developments to differ materially from those contemplated by these statements depending on, among other things, the risks that the Acquisition or Buy-Out Transaction, respectively, will not be completed as*





proposed or at all, that the anticipated benefits of the Acquisition or Buy-Out Transaction, respectively, will not materialize, that its production facilities will not be profitable or increase profitability as expected, that the CBD market will not expand as anticipated, that the Company will not be able to expand production of CBD products at the rate anticipated upon closing of the Acquisition or Buy-Out Transaction, respectively (or at all), and generally that the Company's products and plan will vary from those stated in this news release and the Company may not be able to carry out its business plans as expected. Except as required by law, the Company expressly disclaims any obligation and does not intend to update any forward-looking statements or forward-looking information in this news release. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct and makes no reference to profitability based on sales reported. The statements in this news release are made as of the date of this release.

The CSE has not reviewed, approved or disapproved the content of this press release

