



CHEMESIS INTERNATIONAL INC. INCREASES OWNERSHIP INTEREST IN SAP GLOBAL; ACQUIRES CALIFORNIA SAP BRAND

Chemesis International Inc. increases ownership in SAP Global & acquires the highly awarded California SAP brand serving both medical and recreation markets from its Palm Springs Facility

Vancouver, BC, July 19, 2018 – Chemesis International Inc. a vertically integrated global leader in the cannabis industry (the “**Company**”), announces it has increased its ownership stake in SAP Global (“**SAP**”) from 51% to 80%. SAP is a California Corporation that controls legal cultivation and manufacturing licenses for the new state-of-the-art facility, where the Company will manufacture and distribute medical and recreational THC and CBD products for the California market.

With recreational cannabis legal in California, SAP's flagship facility and operations strategically located in Cathedral City, California, have the legal standing necessary to meet the California medical and recreational application requirements, which in turn will facilitate the sale of over-the-counter and holistic cannabis products.

SAP is able to process up to 2,000 lbs of agricultural trim and yield as much as 200 lbs of clean, compliant cannabis oil per day at its flagship facility. This capacity is intended to provide Chemesis with a consistent revenue stream with products that are essential to the industry and cater to both the medical and recreational cannabis markets in California. To increase its ownership of SAP to 80%, the Company committed and paid an additional \$700,000 CDN toward additional capital expenditures at the flagship facility.

The Company also is pleased to announce the acquisition of the [California Sap](#) brand and product catalogue, which includes the effective and easy to use cannabis oil Gramqul and Vape Cartridges. As part of the acquisition for the California Sap brand, the Company issued \$500,000 USD in stock at a deemed price of \$1.00 CDN per share. The stock is subject to a 36-month lock-up/leak-out.

“We are extremely pleased to be expanding upon the originally planned capacity at our flagship facility. SAP's management team has been consistently and highly awarded within California and the industry at large for over a decade with respect to its extraction techniques and oils, topicals, e-liquids, and other cannabis products utilizing THC, CBD, and full-spectrum cannabinoids. The addition of the California Sap brand and products are great complements to the SAP facility and management and important milestones for Chemesis. These efforts demonstrate Chemesis' commitment to quality and efficiency in both medical and recreational markets and form the cornerstone of the enterprise we are building,” said Edgar Montero, CEO of Chemesis.

About Chemesis International Inc.

Chemesis International Inc. is a vertically integrated global leader in the cannabis industry with current operations and facilities in Puerto Rico and California – locations that allow for cost-effective production and distribution of its products into key markets on a bi-coastal basis in the United States. In addition, Chemesis leverages exclusive brands and partnerships and highly efficient, quality extraction methods to



provide consumers with practical and innovative cannabis products. Chemesis intends to add shareholder value by exploring opportunities in other emerging markets while consistently delivering quality products to its consumers from seed to sale.

ON BEHALF OF THE BOARD OF DIRECTORS

Edgar Montero
CEO and Director

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Forward-Looking Information: *This news release contains "forward-looking information" within the meaning of applicable securities laws relating to statements regarding the Company's business, products and future the Company's business, its product offerings and plans for sales and marketing. 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 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