



Chemesis International Inc. Announces Closing of CDN \$5,000,000 Private Placement and Settlement of Debt

January 23, 2020

Vancouver, BC – Chemesis International Inc. (CSE: CSI) (OTC: CADMF) (FRA: CWAA) (the “**Company**” or “**Chemesis**”), is pleased to announce that it has completed its previously-announced private placement (“**Private Placement**”) of 16,393,444 units (“**Units**”) at a price of CDN \$0.305 per Unit. Each Unit is comprised of one common share and one common share purchase warrant (the “**Warrants**”). Each Warrant is exercisable for one common share at a price of CDN \$0.405 for a period of 24 months.

The Company also announces that it has entered into debt settlement agreements with certain convertible debenture holders and other creditors, pursuant to which it has discharged an aggregate total indebtedness of CDN \$1,884,996, on the following bases:

- CDN \$1,485,831 owing under a convertible debenture has been repaid in cash.
- CDN \$284,444 owing under a convertible debenture has been repaid through the issuance of 406,348 units of the Company (the “**Debt Settlement Units**”), with each Debt Settlement Unit being comprised of one common share and one common share purchase warrant (the “**Debt Settlement Warrants**”) and issued at a deemed price of CDN \$0.70. Each Debt Settlement Warrant is exercisable for one common share at a price of CDN \$0.70 for a period of 24 months.
- CDN \$114,691 owed to a creditor was settled through the issuance of 163,844 Debt Settlement Units.

In addition, the Company has also completed its previously announced convertible debt settlement (see news release dated January 14, 2019) whereby it has had discharged a total indebtedness of CDN \$1,109,440 under certain convertible debentures through the issuance of 1,232,711 units of the Company (the “**Debt Conversion Units**”), with each Debt Conversion Unit being comprised of one common share and one common share purchase warrant (the “**Debt Conversion Warrants**”) and issued at a deemed price of CDN \$0.90. Each Debt Conversion Warrant is exercisable for one common share at a price of CDN \$1.12 for a period of 24 months.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities referred to herein will not be or have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States of America absent registration or an applicable exemption from registration requirements.

On Behalf of The Board of Directors



Chemesis, Inc. (CSE: CSI) (OTC: CADMF) (FRA: CWAA)



Edgar Montero
CEO and Director

About Chemesis International Inc.

Chemesis International Inc. is a vertically integrated U.S. Multi-State operator with International operations in Puerto Rico and Colombia.

The Company focuses on prudent capital allocation to ensure it maintains a first mover advantage as it enters new markets and is committed to differentiate itself by deploying resources in markets with major opportunities. The Company operates a portfolio of brands that cater to a wide community of cannabis consumers, with focus on quality and consistency.

Chemesis has facilities in both Puerto Rico and California. The Company believes it is well-positioned to win additional licenses in highly competitive merit-based US states and will expand its footprint to ensure it maintains a first mover advantage.

Investor Relations:

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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 completion of the Offering, the Company's business, products and future of the Company's business, its product offerings and plans for sales and marketing, including with respect to the Company's expectations regarding its plans to continue to develop dispensaries in Puerto Rico, its ability to obtain licenses in additional jurisdictions. 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 Offering may not complete in the full amount contemplated or at all, the Company's products and plan will vary from those stated in this news release and that the Company may not be able to carry out its business plans as expected, including, but not limited to, in relation to its ability to obtain licenses in additional jurisdictions. 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



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