

# Chemistree Partner, ACS, to File New Jersey Application Under New DOH Mandate



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**Chemistree Technology Inc. →**

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VANCOUVER, June 10, 2019 /CNW/ - Chemistree Technology Inc. (CSE: CHM) (US OTCQB: CHMJF) (the "Company" or "Chemistree"), is pleased to announce that its partner Applied Cannabis Sciences of New Jersey ("ACS"), is readying an Application under the new Request for Applications (RFA) program announced by the Department of Health on June 3, 2019. In total, the Department will seek up to 24 cultivation endorsements, up to 30 manufacturing endorsements, and up to 54 dispensary endorsements. As allowable, ACS will be applying for all three permit types, creating a vertically integrated model for the business.

New Jersey's State Legislature also passed a medical marijuana program expansion bill (Senate Nos. 10 and 2426) last week that is separate from the RFA announcement. It is anticipated that New Jersey Governor Phil Murphy will sign the bill into law once the aforementioned RFA is underway. This legislation will create another new opportunity to apply for licensure in late 2019 as well, significantly expanding the base of medical cannabis operations in the state as it gears up for a voter referendum on Adult Use legislation in 2020. Gov. Murphy has been outspoken in his support for recreational cannabis use in the state since his election campaign in 2016.

Chemistree partnered with ACS in April 2019 to assist ACS with their qualification process as a potential applicant, and to provide Chemistree with a toehold into the cannabis industry on the eastern seaboard of the United States. This new call for applications marks a significant

acceleration by the state of New Jersey to their expansion timelines and ACS is well-prepared to file once the applications become available on July 1, 2019. ACS placed in the top-20 during last summer's RFA out of 147 applicants, where only six licenses were made available. As such, CHM plans to make an early investment into ACS, acquiring 10 percent of the entity, with an option for a larger stake upon licensure.

This rapid and unprecedented expansion of the medical marijuana program in New Jersey is geared toward increasing the patient count to over 200,000 people, as well as setting up the Adult Use industry in New Jersey.

Chemistree board member Nico Escondido, a New Jersey resident and founding member of the ACS team commented, "New Jersey has a goal to be a national – and, in fact, global – leader in medical cannabis research and development, which is why our partnerships with Rutgers Medical School, Stockton University, and RWJ Barnabas Healthcare is critical to our work. Our goal is to position New Jersey as the epicenter of this work on the east coast."

Karl Kottmeier, Chemistree's President stated "When we entered discussions to participate with ACS, we were particularly impressed by the team of industry experts they had assembled, and their deep local knowledge of the dynamic, developing New Jersey market for medical cannabis. The fact that the state authorities have recognized the need to expand the total number of licenses and speed-up their licensing process is certain to be welcome news to a large and under-served population and a huge opportunity for ACS."

New Jersey is home to over nine million people currently being served by only six existing cannabis operators. Six additional participants were selected in 2018 but have not yet commenced operations. A legal, Adult Use (21+) industry in New Jersey would effectively open up the tri-state area to one of the largest cannabis markets in the country, with the total population of NY, PA and NJ totalling over 40 million people.

### **About Chemistree Technology Inc.**

Chemistree Technology Inc. is an investment company dedicated to the U.S. cannabis sector, endeavoring to provide turn-key solutions for the regulated cannabis industry. The Company's corporate strategy is to acquire and develop vertically integrated cannabis assets, leveraging management's decades of expertise in the cannabis industry and corporate finance to own and

operate licensed cultivation, processing, distribution and retail facilities. Outside of Washington State, Chemistree owns the exclusive worldwide rights to the Sugarleaf brand. For more information, visit [www.Chemistree.ca](http://www.Chemistree.ca).

### **Advisory**

The Company wishes to inform shareholders that there are significant legal restrictions and regulations that govern the cannabis industry in both Canada and the United States.

### **Cannabis-related Practices or Activities are Illegal Under U.S. Federal Laws**

The concepts of "medical cannabis" and "recreational cannabis" do not exist under U.S. federal law. The Federal Controlled Substances Act classifies "marihuana" as a Schedule I drug. Under U.S. federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of safety for the use of the drug under medical supervision. As such, cannabis related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defence to any federal proceeding which may be brought against the Company. Enforcement of U.S. federal laws will be a significant risk to the business of the Company and any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

Further information regarding the legal status of cannabis related activities and associated risk factors, including, but not limited to, risk of enforcement actions, risks that third-party service providers, such as banking or financial institutions cease providing services to the Company, and the risk that Company may not be able to distribute profits, if any, from U.S. operations up to the Company, are included in the Prospectus, the Company's annual information form and other documents incorporated by reference therein and in the Company's Form 2A listing statement filed with the CSE and available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

*"Karl Kottmeier"*

President

*Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this news release.*

Information set forth in this news release includes forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", "budget", "scheduled" and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation, statements relating to: the timing, completion and construction of greenhouses and other facilities; potential production quantities; and the receipt of all California state and local licenses for the growing, processing, manufacture and distribution of cannabis products.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others: establishing a trading market for the Debenture and Warrants; fluctuations in the market price of the Common Shares, Debentures and Warrants; risks relating to the dilution of the Common Shares, Debentures and Warrants; risks and uncertainties relating to the actual use of the net proceeds of the Offering; changes in market conditions; an exchange on which the Company's shares are listed may initiate a delisting review; stock price volatility; sales by shareholders of a substantial number of Common Shares, Debentures or Warrants; the failure to sign agreements with a strategic partner in respect of the Company's facilities in Washington State; the failure to obtain required regulatory approvals in respect of the DHS Property; the failure to complete the Company's proposed loan to a Humboldt County-based cannabis processing company located in Arcata, California; and the risks identified in the Company's reports and filings with the applicable Canadian securities regulators, including, without limitation, all risks in and incorporated by reference into the Company's preliminary short-form prospectus in respect of the Offering.

Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by applicable law.

SOURCE Chemistree Technology Inc.

For further information: Chemistree Technology Inc.: Karl Kottmeier, President, Phone: 604-678-8941, Email: [info@Chemistree.ca](mailto:info@Chemistree.ca); For investor relations please contact: Contact Financial Corp.: Frederick Chabot, Phone: 438-863-7071, Email: [frederick@contactfinancial.com](mailto:frederick@contactfinancial.com)

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