



## **Chemesis International Inc. Acquires 100% of Desert Zen**

*Chemesis International Inc. Acquires 100% of Desert Zen, a Licensed Recreational and Medicinal Cannabis Distribution & Manufacturing Company in Cathedral City, California*

**August 13, 2018 – Vancouver, BC – [Chemesis International Inc. \(CSE: CSI\)](#) (the “Company” or “Chemesis”),** is pleased to announce it has entered into and closed a definitive agreement to acquire 100% of Desert Zen, a state-compliant, recreational and medicinal cannabis manufacturing, distribution, and transportation company based in Cathedral City, California. This acquisition will allow Chemesis to increase its resources and significantly expand its foothold in the rapidly growing California market.

Desert Zen’s current facility is licensed under state and local laws to manufacture, package, distribute, and transport quality cannabis products for recreational and medicinal uses. Desert Zen has a large existing network throughout the State of California that currently serves farmers and dispensaries, as well as other manufacturers, distributors, and transporters. As a fully compliant cannabis manufacturer, distributor, and transporter working with other fully compliant vendors, Desert Zen is able to track all products, monitor safety, and ensure that all seed-to-sale laws are followed throughout the entire supply chain. Desert Zen’s catalogue of products includes a variety of cannabis products and will also include Chemesis’ flagship brand of [California Sap](#) premium cannabis oils.

“Statewide compliance at each regulatory level in California requires substantial effort, and Chemesis is pleased to continue its growth as one of the few fully compliant first movers in the California market,” said Chemesis CEO Edgar Montero. “Chemesis now has greater flexibility in its operations and can serve its customers more fully and efficiently. In addition, the acquisition of Desert Zen brings new product manufacturing, distribution, and transportation opportunities to Chemesis’ considerable oil extraction capabilities.”

“Desert Zen is an established cannabis manufacturer, distributor, and transporter that continually is expanding its operations and will allow the Company to further execute its growth strategy in the State of California,” said Mr. Montero. “The Desert Zen management team has a wealth of experience and an established network of growers, manufacturers, and dispensaries. As Chemesis continues to grow, acquisitions such as this will ensure Chemesis is able to build consistent, long-term value for the Company.”

Chemesis International Inc. is acquiring 100% interest in Desert Zen in exchange for US\$500,000 of the Company’s common stock at a deemed value of CDN\$1.00 per share, subject to a 36-month phased leak-out restriction.

Cultivators and manufacturers interested in joining the Desert Zen distribution, transportation, and sales network can contact us by e-mail at [suppliers@chemesis.com](mailto:suppliers@chemesis.com). Distributors and dispensaries interested in carrying products in the Desert Zen catalogue can contact us by e-mail at [sales@chemesis.com](mailto:sales@chemesis.com). We look forward to adding new clients and customers to the Chemesis team!

### **About Chemesis International Inc.**

Chemesis International Inc. is a vertically integrated global leader in the cannabis industry with current operations in California.



The Company is developing a strong foothold in key markets, including through vertical integration and strategic relationships in cultivation, manufacturing, distribution, and retail. Chemesis' current facilities are located in California, allowing for cost-effective manufacturing and distribution of its products. In addition, Chemesis leverages exclusive brands and partnerships and exceptionally high-quality extraction methods to provide consumers with quality cannabis products.

Chemesis will 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

**INVESTOR RELATIONS:**

[ir@chemesis.com](mailto:ir@chemesis.com)  
[www.chemesis.com](http://www.chemesis.com)  
[1 \(604\) 398-3378](tel:16043983378)

***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*