1145411 B.C. Ltd.

Condensed Consolidated Interim Financial Statements

For the period from incorporation on December 15, 2017 to December 31, 2017

(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements of 1145411 BC Ltd. (the "Company") have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the period from incorporation on December 15, 2017 to December 31, 2017 have not been reviewed or audited by the Company's independent auditors. All amounts are stated in Canadian Dollars.

1145411 BC Ltd.
Condensed Consolidated Interim Statement of Financial Position
As at December 31, 2017
(Expressed in Canadian dollars)

As at	Notes		December 31, 2017
ASSETS			
Current Assets			
Cash		$	3,789,395
Non-current assets			
Equipment	7		365,472
Leasehold improvements	7		161,420
Total non-current assets			526,892
TOTAL ASSETS		$	4,316,287
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$	545,600
SHAREHOLDERS' EQUITY			
Share capital	5		3,800,000
Deficit			(20,018)
Equity attributable to 1145411 B.C. Ltd.			3,779,982
Non-controlling interest			(9,295)
Total equity			3,770,687
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	4,316,287

Subsequent events – Note 13
Going concern – Note 2

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on October 26, 2018.

Approved on behalf of the Board of Directors:

"Brian Thurston", Director *"Aman Parmar",* Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1145411 BC Ltd.
Condensed Consolidated Interim Statement of Loss and Comprehensive Loss
For the period from incorporation on December 15, 2017 to December 31, 2017
(Expressed in Canadian dollars)

		Period ended December 31, 2017
EXPENSES		
Consulting fees	$	6,325
Foreign exchange		10,342
Rent		12,647
LOSS AND COMPREHENSIVE LOSS		(29,314)
LOSS AND COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
1145411 BC Ltd.		(20,018)
Non-controlling interest		(9,296)
	$	(29,314)
Loss per share, basic and diluted	$	(523)
Weighted average number of common shares outstanding		56

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1145411 BC Ltd.
Condensed Consolidated Interim Statement of Cash Flows
For the period from incorporation on December 15, 2017 to December 31, 2017
(Expressed in Canadian dollars)

	Share Capital				
	Number	Amount	Deficit	Non-Controlling Interest	Total Equity
		$	$	$	$
December 15, 2017	-	-	-	-	-
Common shares issued for cash	100	3,800,000	-	-	3,800,000
Acquisition of non-controlling interest (Note 6)	-	-	-	1	1
Loss and comprehensive loss for the period	-	-	(20,018)	(9,296)	(29,314)
December 31, 2017	100	3,800,000	(20,218)	(9,295)	3,770,687

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1145411 BC Ltd.

Condensed Consolidated Interim Statement of Changes in Equity
For the period from incorporation on December 15, 2017 to December 31, 2017
(Expressed in Canadian dollars)

		Period ended December 31, 2017
Cash (used in) provided by:		
OPERATING ACTIVITIES		
Net loss for the period	$	(29,314)
Items not involving cash:		
Foreign exchange		(389)
Net changes in non-cash working capital items:		
Accounts payable and accrued liabilities		142,816
Net cash used in operating activities		(113,113)
INVESTING ACTIVITIES:		
Cash obtained on acquisition of Bonhomie		126
Purchase of Equipment and leasehold improvements		(124,109)
Net cash used in investing activities		(123,983)
FINANCING ACTIVITIES:		
Proceeds from issuance of common shares		3,800,000
Cash provided by financing activities		3,800,000
Effect of exchange rate changes on cash		265
Change in cash		3,789,395
Cash, beginning of period		-
Cash, end of period	$	3,789,395

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS

1145411 B.C. Ltd. ('the Company') was incorporated under the laws of British Columbia on December 15, 2017. The Company's registered office is 1212 Austin Avenue, Coquitlam, British Columbia V3K 3P5.

The Company was incorporated and the acquisition of Bonhomie Labs Inc. ("Bonhomie", refer to Note 6), were completed in order to facilitate the acquisition of all of the Company's outstanding common shares by Canadian Mining Corp. ('CNG'), a public company trading on the TSX Venture Exchange ('TSX-V'). Pursuant to the terms of a Letter of Intent with CNG announced on December 18, 2017, the shareholders of the Company will receive common shares of CNG such that they will collectively control the consolidated entity subsequent to the transaction. Consequently, the transaction is expected to constitute a reverse acquisition of CNG by the Company for securities and accounting purposes. This transaction was completed on July 17, 2018.

Refer to Note 13.

2. GOING CONCERN

The Company has no current source of operating revenue and is accordingly dependent upon the receipt of equity and/or related party debt financing on terms which are acceptable to it.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

3. BASIS OF PRESENTATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the period from incorporation on December 15, 2017 to January 15, 2018, as filed on Sedar within Chemesis International Inc.'s listing application (Note 13), and was prepared in accordance with International Financial Reporting Standards ("IFRS").

The condensed consolidated interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on October 26, 2018.

3.1. Basis of measurement

These condensed consolidated interim financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, revenue and expense. Certain items are stated at fair value.

3.2. Significant judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

There are no areas which require management to make significant judgments, estimates and assumptions.

3.3 Basis of consolidation

These consolidated financials incorporate the financial statements of the Company and its wholly controlled subsidiary, Bonhomie, which holds a 51% interest in SAP Global Inc. ("SAP"). Both Bonhomie and SAP are incorporated in the State of California, USA. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions and balances have been eliminated.

Where the Company's interest is less than 100%, the interest attributable to outside shareholders is reflected in non-controlling interest. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Impairment of Non-Financial Assets

For the purposes of assessing impairment, the recoverable amount of an asset, which is the higher of its fair value less costs to sell and its value in use, is estimated.

4.2 Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

4.3 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable profit or accounting profit. Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Changes in deferred tax assets or liabilities are recognized as a component of income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4.4 Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as contributed surplus.

4.5 Share-based Payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received is not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing Model) for all share options granted to directors, employees and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share-based payments is charged either to profit or loss or exploration and evaluation properties, with the offsetting credit to contributed surplus. For directors, employees and consultants, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in contributed surplus are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in contributed surplus.

4.6 Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

4.7 Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined using the weighted average method, which under the circumstances, management believes will provide for the most practical basis for the measurement of periodic income. Management periodically reviews inventory for slow moving or obsolete items and considers net realizable value based on the Company's marketing strategies and sales forecasts to determine if an allowance is necessary. If net realizable value is below cost, then an allowance is created to adjust the carrying amount of inventory.

Management evaluated inventory at period end and determined the balance was impaired due to new regulations and wrote off the asset.

4.8 Equipment and Leasehold Improvements

Equipment and leasehold improvement items are carried at cost less accumulated depreciation and accumulated impairment losses. In the year of acquisition, depreciation is recorded at one-half the normal rate. Depreciation is recognized using the straight-line method at the following annual rates:

Equipment	Straight-Line	10%
Leasehold Improvements	Straight-Line	20%

Equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, are regularly identified and written off.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Subsequent expenditure relating to an item of equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance expense.

4.9 Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net income (loss) (the numerator) by the weighted average number of outstanding common shares for the period (denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore, basic and diluted loss per share are the same. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

4.10 Financial Instruments - Recognition and Measurement

Non-derivative financial assets and financial liabilities

The Company classifies financial assets as financial assets at fair value through profit or loss, held-to-maturity investments or loans and receivables. Available-for-sale financial assets are those financial assets that are not classified as any of the above. Financial liabilities are either classified as financial liabilities at fair value through profit or loss or as other financial liabilities.

Financial assets and financial liabilities are recognized initially at fair value.

Financial assets and financial liabilities at fair value through profit or loss are subsequently measured at fair value with changes in fair values recognized in profit or loss.
Financial assets classified as available for sale are subsequently measured at fair value with changes in fair value recognized in other comprehensive income.

Loans and receivables, held-to-maturity investments and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's financial instruments consist of cash and accounts payable.

Cash is classified as fair value through profit or loss and accounts payable are classified as other financial liabilities.

Transaction costs, other than those related to financial instruments classified as financial assets and financial liabilities at fair value through profit or loss, are added to the fair value of the financial asset and financial liability on initial recognition.

4.11 Share Issuance Costs

Share issuance costs, which include commissions, facilitation payments, professional fees and regulatory fees, are charged directly to share capital. Share issue costs incurred from the issuance of flow-through shares are charged directly to share capital and expense in proportion to the value of the Company's shares at time of issue and any flow-through share premium.

4.12 Comprehensive Income (Loss)

Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income includes items such as gains and losses on re-measuring available-for-sale financial assets and the effective portion of gains and losses on hedging instruments in a cash flow hedge.

4.13 Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and all its subsidiaries is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the date of the transaction. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in a foreign currency are translated at the rate of exchange prevailing at the statement of financial position date, while non-monetary assets and liabilities are translated at the exchange rate prevailing on the transaction date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transaction. Exchange gains and losses arising on translation are included in the consolidated statement of loss and comprehensive loss.

4.14 Changes in Significant Accounting Policies

Accounting standard anticipated to be effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods beginning after January 1, 2018, or later periods. New standards and updates, which are not applicable or are not consequential to the Company, have been excluded from the list below.

IFRS 16, *Leases*, specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. IFRS 16 is effective for years beginning after January 1, 2019. The Company does not anticipate the adoption of this standard to have a significant impact on the Company’s consolidated financial statements.

IFRS 9, *Financial Instruments*, replaces IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company’s accounting policy with respect to financial liabilities will remain unchanged. The adoption of IFRS 9 will be applied retrospectively. The adoption of IFRS 9 on July 1, 2018, is not expected to have an impact on deficit nor the opening balance of accumulated other comprehensive income.

(Expressed in Canadian dollars)

5. EQUITY

5.1 Authorized Share Capital

Unlimited number of common shares with no par value.

5.2 Shares Issued

Shares issued and outstanding as at December 31, 2017 are 63 Class A common shares and 37 Class B common shares.

During the period ended December 31, 2017, the following share transactions occurred:

i. On December 22, 2017, the Company completed a non-brokered private placement, issuing 63 Class A common shares at a price of $38,000 per Class A common share for gross proceeds of $2,394,000.
ii. On December 22, 2017, the Company completed a non-brokered private placement, issuing 37 Class B common shares at a price of $38,000 per Class B common share for gross proceeds of $1,406,000.

6. ACQUISITION OF BONHOMIE

During the period ended December 31, 2017, the Company acquired 100% of the issued and outstanding shares of Bonhomie for $100.

Bonhomie holds a 51% controlling interest in SAP. At the date of the Company's acquisition of Bonhomie, a nominal $1 was ascribed to the non-controlling interest in SAP.

Concurrent with this transaction, SAP acquired assets comprised of equipment of $365,472 and leasehold improvements aggregating $161,420. Of these amounts, a total of $124,109 was paid by the Company in cash prior to December 31, 2017 and the residual balance remains in accounts payable as of that date.

7. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Equipment	Leasehold improvements	Total
Cost			
Balance, December 15, 2017	$ -	$ -	$ -
Additions	365,472	161,420	526,892
Balance, December 31, 2017	$ 365,472	$ 161,420	$ 526,892

As at December 31, 2017, the Company's Equipment and leasehold improvements were still under construction and modification and are not yet ready for operations. As such, no depreciation expense has been recorded to date.

8. RELATED PARTY TRANSACTIONS AND BALANCES

Relationships	Nature of the relationship
Key management	Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, and Chief Financial Officer.

There were no related party transactions during the period.

9. COMMITMENTS

On November 1, 2017, SAP entered into a 36 month lease agreement to rent commercial space for the Company's production facility in Cathedral City, California, USA. The remaining lease obligation at December 31, 2017 is approximately $760,000.

11. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as its cash and share capital.

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements.

12. RISK MANAGEMENT

12.1 Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Capital Risk

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of cash and share capital.

b. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk is low.

c. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at December 31, 2017, the Company's working capital is $3,243,795, and it does not have any long-term monetary liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2018, the Company had cash of $3,789,395 and total liabilities of $545,600.

d. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

12.2 Fair Values

The carrying values of cash and accounts payable approximate their fair values due to their short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

13. SUBSEQUENT EVENTS

i) On July 17, 2018, the Company completed a reverse takeover transaction ("RTO") with Chemesis International Inc. ("Chemesis"), pursuant to which Chemesis acquired all of the issued and outstanding shares of the Company in exchange for 46,807,559 common shares of Chemesis.

As the former shareholders of the Company owned a majority interest in the Chemesis immediately after closing, the substance of the transaction, for accounting purpose, is a reverse merger. The transaction does not constitute a business combination as Chemesis does not meet the definition of a business as defined under IFRS. As a result, the transaction will be accounted for as a capital transaction in substance, with the Company being identified as the acquirer.

The Company is the owner of 100% of the issued and outstanding capital stock of Bonhomie Labs Inc., a California corporation ("Bonhomie"). Bonhomie is the owner of 51% of the issued and outstanding capital stock of SAP Global, a California corporation ("SAP"). SAP is the holder of various licenses and permits that allow it to legally operate cannabis businesses in the State of California.

a) The shares were issued on a post-consolidation basis to the Company. Concurrent with the transaction, Chemesis began trading on the Canadian Securities Exchange ("CSE") under the symbol "C.CSI".

b) On July 18, 2018, the Company increased its ownership in SAP from 51% to 80% by agreeing to incur CDN $700,000 of capital expenditures.

ii) On August 21, 2018, the Company acquired a license related to the manufacture, distribution, and sale of cannabis products. This was achieved by Chemesis issuing a total of 717,750 common shares.