



Chemesis Announces Proposed Spin-out of Bullard Property Assets

December 20, 2018

Vancouver, BC – Chemesis International Inc. (CSE: [CSI](#)) (OTC: [CADMF](#)) (FRA: [CWAA](#)) (the “Company” or “Chemesis”), is pleased to announce that it has entered into an arrangement agreement with IMC International Mining Corp. (“IMC”) dated November 29, 2018 (the “Arrangement Agreement”) pursuant to which the Company intends to spin out its various interests in mineral claims located in the vicinity of the Harcuvar and Harquahala Mountains, Yavapai County, Arizona (the “Bullard Pass Property”) into IMC through a Plan of Arrangement under the Business Corporations Act (British Columbia) (the “Arrangement”). Upon completion of the Arrangement, IMC will own the Bullard Pass Property.

The Arrangement is designed to deliver greater value to the shareholders of Chemesis (the “Chemesis Shareholders”) by unlocking the value in the Company’s assets at the Bullard Pass Property by transferring such assets into a separate entity and managing accordingly.

Upon completion of the Arrangement, IMC will hold a 100% interest in the Bullard Pass Property and will focus on the advancement of this project, and Chemesis will concentrate its efforts on the advancement of its cannabis business.

The Arrangement

The Arrangement will include a transfer of the Bullard Pass Property to IMC. Pursuant to the Arrangement, Chemesis intends to distribute 100% of the common shares of IMC it receives to Chemesis Shareholders on a pro rata basis. Chemesis Shareholders will be entitled to receive one common share of IMC for every twenty common shares of Chemesis held as of the date of the Arrangement Agreement. There will be no change in shareholders’ holdings in Chemesis as a result of the Arrangement.

Each outstanding stock option of Chemesis (a “Chemesis Option”) will be deemed to be exchanged for a fully-vested replacement stock option of Chemesis (a “Chemesis Replacement Option”) and one twentieth of one fully-vested stock option of IMC (an “IMC Option”), with the same terms as the Chemesis Options.

Each outstanding common share purchase warrants of Chemesis (a “Chemesis Warrant”) will be deemed to be exchanged for one fully-vested common share purchase warrant of Chemesis (a “Chemesis Replacement Warrant”) and one twentieth of one fully-vested common share purchase warrant of IMC (an “IMC Warrant”), with the same terms as the Chemesis Warrants.

The Arrangement is subject to final court approval, as well as approval by not less than two-thirds of the votes cast at the annual general and special meeting (the “Meeting”) of Chemesis Shareholders, scheduled for January 9, 2019. Full details of the Arrangement are included in the management information circular to be sent to Chemesis Shareholders on December 19, 2018 in connection with the Meeting.

The board of directors of IMC will be comprised of Brian Thurston, Dave McMillan and Mike Aujla. Management of IMC will be comprised of Brian Thurston (CEO, President and Corporate Secretary) and Eli Dusenbury (CFO).





The Company intends to apply for a listing of the common shares of IMC on the Canadian Securities Exchange (“CSE”). Any such listing will be subject to IMC fulfilling all of the requirements of the CSE.

On Behalf of The Board of Directors

Edgar Montero
CEO and Director

About Chemesis International Inc.

Chemesis International Inc. is a vertically integrated global leader in the cannabis industry, currently operating within California, Puerto Rico, and finalizing an acquisition in Colombia.

Chemesis is developing a strong foothold in key markets, from cultivation, to manufacturing, distribution and retail. Chemesis has facilities in both Puerto Rico and California, allowing for cost effective production and distribution of its products. In addition, Chemesis leverages exclusive brands and partnerships and uses the highest quality extraction methods to provide consumers with quality cannabis products.

Chemesis will add shareholder value by exploring opportunities in emerging markets while consistently delivering quality product to its consumers from seed to sale.

Investor Relations:

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

Social Media:

[Chemesis.facebook](#)
[Chemesis.twitter](#)
[Chemesis.instagram](#)
[DesertZen.instagram](#)
[CaliforniaSap.instagram](#)
[Jay&SB.instagram](#)

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 of 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

