



Chemesis International Inc. Enters into Binding Agreements to Acquire Fully Licensed Cannabis Extraction and Manufacturing Facility

The acquisition of a fully licensed cannabis facility will expand Chemesis' capabilities to process over 500,000 kg of cannabis annually within the U.S.

March 7, 2019

Vancouver, BC – Chemesis International Inc. (CSE: [CSI](#)) (OTC: [CADMF](#)) (FRA: [CWAA](#)) (the “Company” or “Chemesis”), announces it has entered into binding agreements to acquire 100% of a fully-operational extraction and manufacturing facility in Cathedral City, California (“Facility”). Once completed, this transaction (“Acquisition”) will expand the Company’s processing ability to over 500,000 kg of cannabis annually. The new state-of-the-art facility is fully licensed, and the Acquisition is expected to double the Company’s current capacity to process large amounts of cannabis to extract THC, CBD and other cannabinoid and terpene products.

The Facility is located within close proximity to the Company’s existing licensed extraction facility, which commenced operations this quarter. Upon completion, the Acquisition will permit the Company to operate two fully licensed and commercialized facilities, which is expected to streamline resources for the Company’s controlled expansion plan within the U.S.

The Acquisition will result in the Company acquiring control over the following licenses:

- Cannabis Business Local License, #MCL-17-007-M-18
- Cannabis Business Local License, #MCL-17-007-C-18
- Type 7 Manufacturing License – Adult & Medical Cannabis Products, #CDPH-T00000362

Furthermore, the Company is exploring the possibility of processing hemp at the Facility for full spectrum plant extracts rich in CBD and leveraging the hemp legalization provisions of the 2018 U.S. Farm Bill to capitalize on the expected increased demand for CBD. It has been estimated that the CBD market will have a value of over \$2.1 billion by 2020¹. Legislation is currently pending in California that would accommodate incorporating hemp-derived cannabinoids and terpenes into the currently regulated cannabis supply chain (similar to neighboring legal cannabis states like Oregon), as well as non-THC-infused food, beverages and cosmetics.

“The Company will, upon completion of the Acquisition, significantly increase its production and manufacturing capabilities in the U.S.,” said CEO of Chemesis, Edgar Montero. “The addition of this new facility will allow the Company to extract high-quality cannabinoids and terpenes for use in a wide variety of consumer products. Chemesis will then be able to leverage its existing expertise in extraction, distribution, and sales to continue growing revenues and build long-term value. I believe this expansion will open up considerable new revenue opportunities for the Company when we begin processing hemp,” added Montero.

¹ [Hemp Business Journal](#)





Under the terms of this acquisition, Chemesis will pay \$1,000,000 USD 90 days from closing and issue 4,600,000 shares. The stock is subject to 36-month lock-up/leak-out guidelines. The Acquisition is expected to close on or about March 30, 2019.

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 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, including in relation to statements regarding the Acquisition, the anticipated benefits of the Acquisition, the expected size of the CBD market, the Company's ability to increase production of various cannabidiol products, and generally regarding the business, products and future of the Company's business, its product offerings and plans for sales and marketing, including upon completion of the Acquisition. 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 Acquisition will not be completed as proposed or at all, that the anticipated benefits of the Acquisition will not materialize, that the CBD market will not expand as anticipated, that the Company will not be able to expand production of CBD products at the rate anticipated upon*





closing of the Acquisition (or at all), and generally 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

