



Chemesis International Inc. Provides Operational Update

July 26, 2019

Vancouver, BC – Chemesis International Inc. (CSE: [CSI](#)) (OTC: [CADMF](#)) (FRA: [CWAA](#)) (the “Company” or “Chemesis”), is pleased to provide operational and corporate updates for its operating entities in the United States, Puerto Rico and Colombia.

Partnerships

- Chemesis’ 19.9% stake in GSRX Industries continues to be advantageous, as it brings access to GSRX’s dispensary and retail cannabis network. GSRX has steadily increased revenues and continues to grow its dispensary network throughout Puerto Rico, California, Tennessee. This investment is a part of the Company’s retail expansion strategy and will continue to explore additional opportunities to expand its retail footprint.
- Rapid Dose continues to work with Chemesis in its efforts to [commercialize](#) its Quickstrip™ Oral Thin Strips in Puerto Rico, California and Michigan.
- The Association for the Promotion of Cannabis Cultivation (“Association”) which was formed by La Finca Interactiva Med (“La Finca”), is working in Colombia with farming communities and large networks to bring education, and opportunity through cannabis cultivation. The Association is [on track](#) and expects to extend its sowing prospects to an additional 10,000 acres in the next three years.

United States

- The operations team in California has currently processed over 3,000 lbs of trim in the month of July, and continues to ramp up production at its extraction facilities.
- In addition, the Company will continue its efforts to increase its THC infused product portfolio with a focus on beverages, edibles and topicals in Calendar 2019.
- The Company is on track to fulfill its recently [announced](#) a partnership with [Happy Tea](#) to manufacture and distribute 3 SKU’s which will be expanding to 9 SKU’s as the brand develops new offerings. The Company received a \$4,000,000 USD minimum purchase order to manufacture and distribute these products.
- The Company is continuing efforts to plant its first 13 acres of hemp in Michigan under the previously [announced](#) Cultivation license.
- The Company’s distribution asset, Desert Zen continues to operate and provide services for third-party and in-house brands. The team is expanding its reach to additional dispensaries in central & southern California.
- Chemesis’ Arizona CBD manufacturing facility is operational and is continuing to provide third-party manufacturing services and continues to work towards GMP certification.

Puerto Rico

- The Company continues to work closely with PR ONE to meet the previously [announced](#)





\$6,000,000 USD annual minimum purchase order.

- Natural Ventures has increased its previously [announced](#) cultivation area to yield in excess of 9,000 lbs per year. This expansion allows Natural Ventures to fulfill the previously announced agreements with third-party brands.
- Natural Ventures has completed the previously [announced](#) LED lighting upgrade in partnership with VividGro. This allows the Company to conduct cultivation operations with greater efficiency and reduced energy costs.
- Natural Ventures operations have not been affected by recent unrest and protest in the area, and is working with authorities to ensure the Company is in compliance and does not experience any delays in production.

Colombia

- La Finca is on [track](#) to increase its land package by 10,000 acres within the next three years. To accomplish this, the Company continues to increase its seed stock to ensure it is able to significantly increase the planted acreage.
- La Finca has commenced Agronomic Evaluations in three of the twelve subregions defined by the ICA (Ministry of Agriculture). This is a necessary step as a prerequisite for obtaining commercial cultivar certification per seed type on each of the 12 subregions. Within six months La Finca expects to have completed all requirements in order to start its propagation plan. The PEAS are being conducted jointly with Universidad Nacional and closely supervised by ICA.
- La Finca's plan remains on track for both the extraction and cosmetics manufacturing lab. The facilities are being constructed under GMP and EU GMP standards in preparation for future exports to International markets. La Finca's facilities are strategically located next to Bogotá's international airport, considered a major hub for international flights connecting the América's and Europe as well as the Caribbean.
- La Finca is working closely with regulators and is on track to obtain THC cultivation and manufacturing of THC derivatives licenses. This allows Chemesis to partake in one of the fastest growing medical Cannabis markets in the world as a potential supplier of CBD and THC raw materials and finished products.

"The Company continues to execute on long term growth targets by building its cultivation, manufacturing, extraction, and brands in the areas that it currently operates," said CEO of Chemesis, Edgar Montero. "As Chemesis further integrates its operations, it will look for additional operational efficiencies to decrease lead times and op-expenses, while increasing quality. Chemesis and its operational entities are in constant communication with regulatory authorities to ensure the Company is consistently in compliance with all rules and regulations in the industry."

Chemesis remains in a stable financial position with access to \$32,625,000 in drawdown equity facilities.

On Behalf of The Board of Directors

Edgar Montero





CEO and Director

About Chemesis International Inc.

Chemesis International Inc. is a vertically integrated U.S. Multi-State operator with International operations in Puerto Rico and Colombia.

The Company focuses on prudent capital allocation to ensure it maintains a first mover advantage as it enters new markets and is committed to differentiate itself by deploying resources in markets with major opportunities. The Company operates a portfolio of brands which cater to a wide community of cannabis consumers, with focus on quality and consistency.

Chemesis has facilities in both Puerto Rico and California, and is in the process of constructing a GMP certified facility in Colombia. Chemesis' Puerto Rico operations are licensed to operate 100,000 ft² of cultivation, and 35,000 ft² of manufacturing floor space. The Company is positioned to win additional licenses in highly competitive merit-based US states, and will expand its footprint to ensure it maintains a first mover advantage.

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The CSE has not reviewed, approved or disapproved the content of this press release

