



Chemesis International Inc.

**August 7, 2020**

**Vancouver, BC – Chemesis International Inc.** (the “**Company**”) (CSE: CSI) (OTC: CADMF) (FRA: CWAA)

Further to the Company’s news release dated June 17, 2020, the Company announces that the Puerto Rico Court of Appeals (the “**Court of Appeal**”) has ruled (the “**Appeal Decision**”) in favour of the Puerto Rico Medicinal Cannabis Office, a constituent of Puerto Rico’s Department of Health (the “**DHPR**”), in regard to the Puerto Rico cannabis licenses, held by the Company’s subsidiaries Natural Ventures PR, LLC and GSRX Industries Inc., respectively (the “**Licenses**”). The Appeal Decision reverses the judgment the Company had obtained from the Puerto Rico Court of First Instance (the “**Court of First Instance**”), wherein the Court of First Instance had found that the abeyance of the Licenses was invalid and unconstitutional and that such action was nullified.

The Company notes that the Appeal Decision does not entail an automatic abeyance of the Licenses, and in fact operations under the Licenses are currently continuing in the ordinary course. The Company further notes that the Court of Appeal based its decision on procedural grounds, finding that the Court of First Instance did not have jurisdiction over the matter; the Court of Appeal did not decide upon substantive merits. Furthermore, the Appeal Decision is not final in that it may be appealed to the Supreme Court of Puerto Rico. The Company notes further that it is actively working with its Puerto Rican legal counsel to review and consider any and all appellate remedies, including the filing of an appeal before the Supreme Court of Puerto Rico (the “**Further Appeals**”).

**On Behalf of The Board of Directors**

**Josh Rosenberg**  
**President**

**Investor Relations:**

ir@chemesis.com  
1 (604) 398-3378

**Forward-Looking Information:** *This news release contains "forward-looking information" within the meaning of applicable securities laws relating to statements regarding the potential or ability for the Company to commence any Further Appeals and the ability of the Company to continue to operate under the Licenses. 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 including, among other things, the risks that the Company will not be able to commence a Further Appeal in a timely manner, or at all,*



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*that the Company will not be able to maintain or continue licensed activities under the Licences as currently being conducted, or at all, and that the Company's products and plans will vary significantly as a result. 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*



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