

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 19, 2005

Chembio Diagnostics, Inc.
(Exact name of registrant as specified in its charter)

<u>Nevada</u>	<u>333-85787</u>	<u>88-0425691</u>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3661 Horseblock Road, Medford, NY 11763
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (631) 924-1135

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 3.02. Unregistered Sales of Equity Securities

On May 1, 2005, Chembio Diagnostics, Inc. (the “Company”) entered into a contract with Business Consulting Group Unlimited, Inc., a consulting company, and as part of the terms of this contract the Company issued 25,000 shares of common stock to the consulting company as a portion of the compensation for services to be performed. If the contract is not terminated, the Company will be required to issue an additional 25,000 shares of common stock to the consulting company. The Company relied on Section 4(2) of the Securities Act of 1933 as the basis for its exemption from registration of this issuance. The sole investor in the issuance was an accredited investor.

On May 15, 2005, the Company issued 312,773 shares of common stock as payment of dividends on the Company’s series A preferred stock. No cash was exchanged in this issuance. The Company relied on Section 4(2) of the Securities Act of 1933 as the basis for its exemption from registration of this issuance. The investors in the issuance were accredited investors of the Company.

On May 17, 2005, in accordance with the terms of the Company’s 1999 Equity Incentive Plan, the Company granted to certain employees of the Company options to purchase 289,000 shares of the Company’s common stock. The exercise price for these options is equal to \$.80. Each option granted will expire and terminate, if not exercised sooner, upon the earlier to occur of (a) 30 days after termination of the employee’s employment with the Company or (b) the seventh anniversary of the date of grant. The Company relied on Section 4(2) of the Securities Act of 1933 and Rule 701 as the basis for its exemption from registration of this issuance.

ITEM 8.01. Other Events.

On May 16, 2005, the Company issued the press release included herein as Exhibit 99.1.

ITEM 9.01. Financial Statements and Exhibits

(c) Exhibits

99.1 Press release dated May 16, 2005

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 19, 2005

CHEMBIO DIAGNOSTICS, INC.

By: /s/ Lawrence A. Siebert

Lawrence A. Siebert

Chief Executive Officer

Chembio Diagnostics, Inc. Reports 2005 First Quarter Results

Monday May 16, 12:36 pm ET

MEDFORD, N.Y.--(BUSINESS WIRE)--May 16, 2005--Chembio Diagnostics, Inc. (OTCBB:CEMI - News) announced today results for its first quarter ended March 31, 2005.

The Company reported first quarter revenues were \$731,885, a 25% increase compared to \$585,312 for the same period in 2004. These results included \$250,000 of revenue applicable to a one-time license agreement. The Company reported a net loss of \$619,986 versus a net loss of \$429,888 in the comparable 2004 period. A complete discussion of each of the components of the Company's operating results is provided in the Form 10-QSB filed with the SEC.

"During the first quarter the Company made significant progress toward its long term goal of significant revenue growth and profitability and the Company's management remains highly focused on reaching that milestone," commented Lawrence A. Siebert, Chembio's President.

Some of the highlights of the first quarter included:

- Submission of Chembio's HIV rapid tests Pre-market Application (PMA) to the United States Food and Drug Administration in February.
- Grant of "waiver" status by the United States Agency for International Development for Chembio's rapid HIV tests which allows these products to be purchased by US-funded international relief programs prior to receiving United States FDA approval.
- Qualification under the World Health Organization Bulk Procurement Scheme for the Company's rapid HIV tests. This permits United Nations funded programs and their beneficiary countries to purchase these products.
- Submission of the Company's initial application for its Non-Human primate TB test to the United States Department of Agriculture.
- Completion of the License and Technology Transfer Agreement with Prionics AG.
- Completion of our Series B \$5 Million Private Placement of Convertible Preferred Stock.
- Appointment of three independent members to the Company's Board of Directors who will stand for re-election at our annual stockholders meeting on June 17, 2005.

Business Outlook:

The Company expects to achieve the following during the remainder of 2005:

- Continue the technology transfer and supply program in Brazil, for which the Company anticipates substantially increased volumes as compared with 2004.
- Develop additional local manufacturing collaborations for its HIV rapid tests in selected markets.
- Increase rapid HIV test product sales and market presence in targeted markets.
- Move closer to obtaining US FDA approval of its Stat Pak and Sure Check HIV Rapid tests, and USDA approval of its Non-Human Primate TB test, and to securing their marketing and distribution in the United States.
- Develop new rapid test platforms that are patent protected and that will enable greater levels of sensitivity than conventional lateral flow platforms.
- Generate revenues from and develop new markets in Latin America for Chembio's rapid test for Chagas Disease.

ABOUT CHEMBIO

Chembio Diagnostics, Inc. (Chembio) possesses expertise in the development and manufacturing of rapid test products for various infectious diseases, including HIV, Tuberculosis and Chagas Disease. References to Chembio Diagnostics, Inc. may actually refer to Chembio Diagnostic Systems, Inc., the 100%-owned subsidiary of Chembio Diagnostics, Inc. Chembio is located at 3661 Horseblock Road, Medford, NY 11763. Chembio's telephone number is 631-924-1135. Email can be directed to info@chembio.com. Additional information can be found at www.chembio.com.

FORWARD-LOOKING STATEMENTS

Statements contained herein that are not historical facts are forward-looking statements within the meaning of the Securities Act of 1933, as amended. Those statements include statements regarding the intent, belief or current expectations of the Company and its management. Such statements reflect management's current views, are based on certain assumptions and involve risks and uncertainties. Actual results, events, or performance may differ materially from the above forward-looking statements due to a number of important factors, and will be dependent upon a variety of factors, including, but not limited to, the Company's ability to obtain additional financing and the demand for the Company's products. The Company undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances that occur after the date hereof or to reflect any change in the Company's expectations with regard to these forward-looking statements or the occurrence of unanticipated events. Factors that may impact the Company's success are more fully disclosed in the Company's most recent public filings with the U.S. Securities and Exchange Commission.

Contact:

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