

MMJ Group Holdings Ltd

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MMJ Group investment BevCanna signs joint cultivation agreement led by farm start-up expert Joey Bedard-Brunet

MMJ Group Holdings Ltd (ASX:MMJ) investment company BevCanna Enterprises Inc (CSE:BEV) has signed a definitive agreement with Clearwater CannGrow Inc to grow certified organic sun-grown cannabis on an aggregate 130-acre plot of land on BevCanna's allocated property near Osoyoos, British Columbia.

The agreement finalises the letter of intent signed on September 4 and sees BevCanna combining its extensive beverage, bottling and branding expertise with Clearwater's industry-leading cannabis cultivation and operational skills.

Clearwater expert agricultural consultant Joey Bedard-Brunet has agreed to plan and operate the cultivation on BevCanna's prime outdoor site.

BevCanna develops and manufactures cannabinoid-infused beverages and consumer products for in-house brands and white label clients.

"Unbeatable combination"

BevCanna chief strategic officer John Campbell said the company was pleased to have finalised the agreement with Joey and Clearwater CannGrow.

"Joey's expertise across a range of agricultural industries strongly complements BevCanna's manufacturing and branding expertise - together we'll be an unbeatable combination."

Bedard-Brunet is a co-owner of a large-scale hemp farm, an outdoor cannabis farm and other agricultural businesses

Positioned to become a global leader

More than 100,000 kilograms of biomass is expected to be produced with a yield of more than 10,000 kilograms of pure cannabinoids through finished extract.

BevCanna is well positioned to become a global leader in the production of high-quality, next-generation products leading up to Canada's legalisation of next-gen products later this year.

Potential future expansion

The parties have also agreed to explore future expansion of the outdoor cannabis production through the option of another site nearby in Bridesville, BC and through the future lease of land from indigenous groups in prime growing areas in the interior of British Columbia.

Price: 0.105

Market Cap: \$24.15 m

1 Year Share Price Graph



Share Information

Code: MMJ

Listing: ASX

52 week High Low
0.215 0.062

Sector: Cannabis

Website: www.mmjgh.com.au

Company Synopsis:

MMJ Group Holdings Ltd (ASX:MMJ), formerly known as MMJ Phytotech Ltd, owns a portfolio of minority investments and aims to invest across the full range of emerging cannabis-related sectors. The company is listed on the Australian Securities Exchange.

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The execution of all proposed phases would allow BevCanna to develop into the largest outdoor cannabis cultivator in the province.

First crop in 2020

Clearwater, headed by founder & CEO Bedard-Brunet, was engaged by BevCanna as contract grower for an indefinite term, overseeing and managing all day-to-day operations.

Bedard-Brunet will be initial manager and head grower and cultivator on the licence.

BevCanna plans to have the outdoor cultivation licence application by the end of November this year, obtain the licence and plant its first crop in the second quarter 2020, with harvest later that year.

Clearwater gains holding in BevCanna

Terms of the agreement include a consulting fee of various payments made to Clearwater, payable only in the event the company is granted its licence for outdoor cannabis cultivation.

The consulting fee payments comprise cash fees of \$200,000 for each successful harvest over three years, with a \$50,000 bonus in each year based on meeting specific cannabis flower and biomass production milestones.

Clearwater also agreed to purchase 982,142 common shares of BevCanna at a price of 56 cents a share for a total of \$549,999.

Closing is expected to occur by the end of September while all securities issued to Clearwater in the share purchase will remain in a statutory hold period expiring four months and a day after it closes.

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