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ASX RELEASE

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Investment in BevCanna, cannabis infused beverage manufacturer

MMJ PhytoTech Limited (ASX: MMJ) ("MMJ") has invested CAD\$0.5 million for a 3.6% shareholding in privately-held BevCanna Enterprises Inc. ("BevCanna").

Business model

Based in Vancouver, Canada, BevCanna intends to become a fully vertically-integrated premium-based cannabis infused beverage manufacturer.

Specifically, BevCanna aims to operate as a white label, end-to-end producer of CBD and THC beverages*.

Business plan

BevCanna is in customer contract discussions with Access to Cannabis for Medical Purposes Regulations (ACMPR) Licensed Producers.

BevCanna's current business plan is based solely on being a wholesaler to the Canadian medical cannabis market, however the recreational market represents potential future upside*.

Manufacturing arrangements

With future funding rounds, BevCanna will build out its manufacturing facility, subject to a licensing arrangement, on the site of a premium alkaline spring water source and bottling facility at Bridesville, BC owned by The Naturo Group Investments ("Naturo Group"). Naturo Group owns Trace (tracebeverages.com) and Naturo Aqua (naturoaqua.com) beverage product lines which are currently sold in over 3,000 retail locations across North America.

CEO comment

MMJ's CEO Jason Conroy commented that "We are excited by the opportunity to invest in BevCanna, founded by influential and experienced cannabis market executives, and see significant potential upside in their business model and manufacturing arrangements."

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**Note: Health Canada's regulatory approach to cannabis edibles (which includes beverages) is expected to be finalised within 12 months after the Federal Government's Cannabis Act (Bill C-45) becomes law.*