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## ASX RELEASE

12 March 2020

### Update on MMJ's investment in Harvest One

**MMJ Group Holdings Limited (ASX:MMJ) ("MMJ")**, an Australian-listed company that specialises in managing a portfolio of investments along the cannabis value-chain, is pleased to advise that it has reached agreement to extend the maturity date of the secured loan agreement (the "Loan Agreement") with Harvest One Cannabis Inc. ("HVT" or "Harvest One") (TSX-V: HVT; OTCQX: HRVOF) in the amount of CAD2m<sup>1</sup> (the "Loan") issued on January 10, 2020 (the "Issue Date").

MMJ is the largest shareholder holding 26%<sup>2</sup> of HVT which is one of the largest investments within the MMJ cannabis and hemp portfolio.

On 10 January, 2020 MMJ advanced a loan bearing interest at a rate of 15% per annum, with the principal and accrued interest on the loan payable in arrears within 60 days of the issue date, subject to certain exceptions. Harvest One granted MMJ a security interest in all current and after acquired property of HVT and its subsidiaries, subject to certain permitted liens.

MMJ has agreed to modify the terms of the loan agreement as follows:

- a) The maturity date of the loan has been extended by 90 days to 8 June 2020
- b) In consideration for the extension of the maturity date by 90 days, MMJ will receive, subject to approval by the TSV Venture Exchange, 17,083,333 warrants exercisable at a price per HVT share of \$0.06 at any time until the earlier of: (i) the date of an additional extension or renewal of the loan; and (ii) two years.

MMJ believes that Harvest One is significantly undervalued given its substantial cultivation and Cannabis 2.0 assets and are working closely with Harvest One to realise that intrinsic value. The extension of the maturity date will assist HVT to continue making significant progress in restructuring its operations and realising the sale of non-core assets.

Harvest One is a global cannabis company that develops and provides innovative lifestyle and wellness products to consumers and patients in regulated markets around the world.

A copy of the HVT announcement is attached to this ASX announcement.

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**Investor and Media Enquiries**

Announcement authorised for release to ASX by:  
Jim Hallam  
Chief Financial Officer and Company Secretary  
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**About MMJ**

*MMJ is a global cannabis investment company (ABN 91 601 236 417). MMJ owns a portfolio of minority investments and aims to invest across the full range of emerging cannabis-related sectors including healthcare, technology, infrastructure, logistics, processing, cultivation, equipment and retail. For MMJ's latest investor presentation and news, please visit: <https://www.mmjgh.com.au/investors/>*

**Important Notice**

*This announcement contains reference to certain intentions, expectations, future plans, strategy and prospects of MMJ. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of MMJ may be influenced by a number of factors, many of which are outside the control of MMJ. No representation or warranty, express or implied, is made by MMJ, or*

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<sup>1</sup> CAD – Canadian dollars

<sup>2</sup> MMJ holds 55,557,994 HVT shares as at 9 March 2020

*any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause MMJ's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. MMJ does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in MMJ. This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulation S under the US Securities Act of 1993 ("Securities Act"). MMJ's shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.*



## Harvest One Announces Amendment to Shareholder Loan

VANCOUVER, March 11, 2020 /CNW/ - Harvest One Cannabis Inc. ("**Harvest One**" or the "**Company**") (TSX-V: **HVT**; OTCQX: **HRVOF**) is pleased to announce that MMJ Group Holdings Ltd. ("**MMJ**") has agreed to extend the maturity date (the "**Extension**") of a secured loan agreement (the "**Loan Agreement**") with MMJ, an insider of the Company, for a loan in the amount of \$2,000,000, issued on January 10, 2020 (the "**Loan**"). The Loan, as amended, continues to be secured by a general security agreement over all of the present and future assets of the Company, including intangibles, and continues to bear interest at a rate of 15% per annum on the principal amount outstanding. Pursuant to an amending agreement between the Company and MMJ dated March 10, 2020 (the "**Amending Agreement**"), the new maturity date of the Loan is June 8, 2020, subject to earlier repayment in certain circumstances.

In consideration for the Extension, the Company has agreed to issue such number of common share purchase warrants ("**Warrants**") equal to the quotient obtained by dividing C\$1,025,000 by \$0.06, being the closing price of the common shares of the Company (the "**Common Shares**") on the TSX Venture Exchange (the "**Exchange**") on March 10, 2020. Each Warrant will entitle the holder to purchase one Common Share at a price of \$0.06 at any time until the earlier of: (i) the date of the extension or renewal of the Loan; and (ii) the second anniversary of the date of the issuance of the Warrants. The issuance of the Warrants is subject to all necessary regulatory and Exchange approvals. Should the Company fail to: (i) obtain Exchange approval; or (ii) deliver the Warrants in a form satisfactory to MMJ on or before April 6, 2020 (the "**Trigger Date**"), the parties shall, for a period of 14 days following the Trigger Date, negotiate amendments to the Amending Agreement that would preserve the economics of the parties contemplated by the Amending Agreement (a "**Subsequent Amendment**"), and following such 14 day period, to the extent that the Company and MMJ have not entered into a Subsequent Amendment, the Amending Agreement shall be null and void *ab initio* and, for greater certainty, the Loan Agreement shall remain un-amended and in full force and effect.

The Extension and the issuances of Warrants to insiders are considered related party transactions within the meaning of Exchange Policy 5.9 and Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company will rely on exemptions from the formal valuation and minority shareholder approval requirements in sections 5.5(g) and 5.7(1)(e) of MI 61-101 in respect of such insider participation on the basis of financial hardship. Further details will be provided in the Company's material change report to be filed on SEDAR.

The Common Shares issuable upon the exercise of the Warrants will be subject to a hold period expiring four months and a day from the date of issuance of the Warrants, in accordance with applicable Canadian securities law.

The Company did not file a material change report in respect of the related party transactions less than 21 days prior to Extension, which the Company deems reasonable in the circumstances so as to be able to extend the Loan in an expeditious manner.

## **About Harvest One**

Harvest One is a global cannabis company that develops and provides innovative lifestyle and wellness products to consumers and patients in regulated markets around the world. The Company's range of lifestyle solutions is designed to enhance quality of life. Shareholders have significant exposure to a broad cannabis value chain through its wholly-owned subsidiaries: [United Greeneries](#), a Licensed Producer; [Satipharm](#) (medical and nutraceutical); and [Dream Water Global](#), and [Delivra](#) (consumer); as well as a controlling interest in Greenbelt Greenhouse. For more information, please visit

## **Cautionary Note Regarding Forward-Looking Statements**

*Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. The forward-looking information contained in this press release is made as of the date hereof, and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties, and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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