

ASX RELEASE

16 May 2019

**Investment in Volero Brands Inc
Canadian manufacturer of the Flyte brand of vape pens and cartridges**

MMJ Group Holdings Limited (ASX: MMJ) ("MMJ") has invested CAD¹2.5m for a 7.3% shareholding in privately-held Volero Brands Inc. (Volero), a private company based in Canada which owns and manufactures the Flyte brand of vape pens and cartridges, as part of their CAD5m seed funding round.

MMJ's investment consists of 5m shares and 2.5m warrants exercisable at CAD0.65 within three years. MMJ has the right to a further 2.5m warrants exercisable at CAD0.65 in the event that Volero does not generate a liquidity event by May 2020.

MMJ was introduced to Volero by Embark Ventures Inc. (Embark Ventures) which is MMJ's proposed manager of its investment portfolio. Through Embark Ventures, MMJ's was able to secure significantly superior terms to those originally proposed.

Based in Alberta, Canada, Volero is building a state-of-the-art extraction and production facility that will produce vaporisers, concentrates and topical solutions. Volero expects the facility to be completed in Q3/19 and have indicated to MMJ that it anticipates the facility will be designed to support generating revenue of more than CAD100m per annum.

Volero is aiming to capitalise on the pending legalisation by the Canadian Federal Government of concentrates and vaporisers in October 2019. In this event, Flyte could become a major player in that market having already established a historical brand and attractive price point.

Following settlement of the Volero investment which is expected before 31 May 2019, MMJ will have cash reserves of AUD26m.

MMJ's Chairman Peter Wall commented that "Volero provides the opportunity for MMJ to invest in the potentially lucrative segment of concentrates and vaporisers which are expected to be legalised in October 2019. The investment again demonstrates MMJ's capacity to secure investments in private cannabis businesses which are on a short path to public listing. We are delighted that we could work together with Embark Ventures to find a structure that works for both groups on the first investment originated for MMJ".

Investor and Media Enquiries

Jim Hallam
Chief Financial Officer and Company Secretary

¹ CAD – Canadian dollars

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/>

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