

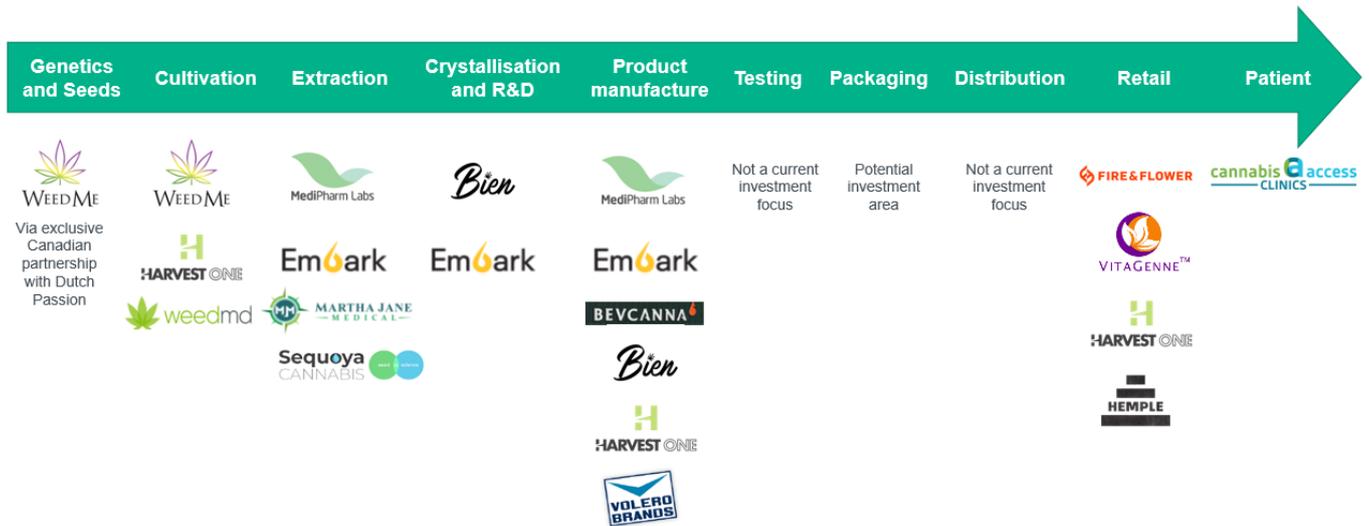


Investment Portfolio Report

30 September 2019

MMJ's Investments sit across most of the cannabis and hemp value chain

Capital is allocated to potential market leaders, consolidators and takeover targets



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. All information is unaudited unless stated otherwise. No representation or warranty, express or implied, is made by MMJ, or 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. The investment returns shown are historical and no warranty can be given for future performance. Historical performance is not a reliable indicator of future performance. Due to the volatility in a Company's underlying assets and other risk factors associated with investing, investment returns can be negative, particularly in the short-term.

About MMJ

MMJ (ASX Code MMJ/OTC Code MMJF) 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.

MMJ is the only listed Australian investment company which offers the opportunity to Australian investors to invest in unlisted and listed cannabis-related businesses in Australia and offshore.

MMJ has a proven track record in acquiring and realising considerable value from its cannabis related investments.

Since 2015 MMJ has created a significant number of investment opportunities from its connections in Canada and Australia in the private investment sector and realised exits when it is to MMJ's benefit:

18	5	4	9
Primary Acquisitions	Follow on investments¹	Private to public	Sale of investments

MMJ Investment Performance²

MMJ Historical Performance - period ended 30 September 2019					
	1 month	3 months	Financial year to date	12 months	Since inception
Pre tax return	(11.0)%	(22.4)%	(22.4)%	(3.9)%	2.9%
Benchmark	(13.0)%	(34.1)%	(34.1)%	(47.8)%	(23.9)%
Out/(under) performance	2.0%	11.7%	11.7%	43.9%	26.8%

For MMJ's latest investor presentations and news, please visit: www.mmjgh.com.au

General Investor Queries	Share Registry
E: info@mmjgh.com.au	Automic Registry Services
W: mmjgh.com.au	P: 1300 288 664
	W: automic.com.au

Performance Update

Net Tangible Asset Value Per Share Before Tax³ as at 30 September 2019

\$0.3006

Total Portfolio Including Cash as at 30 September 2019

\$74m

Investment Return Since Inception⁴ as at 30 September 2019

3% pa

Key Metrics as at 30 September 2019 AUD

Net Asset Value	65m
Investee Portfolio (ex cash)	61m
Cash	13m
Net Tangible Asset per share - pre-tax (issued pursuant to LR 4.12)	0.3010
Net Tangible Asset per share - post tax (issued pursuant to LR 4.12)	0.2901
MMJ share price (ASX)	0.245
Market capitalisation	55m
Number of investments (ex cash)	14
ASX Investment Type	Listed Investment Company
Initial Public Offering Date (Inception date)	22 January 2015
No. of ordinary shares on issue	225.5m

¹ Includes investments in existing investees

² MMJ uses the Alternative Harvest ETF (ticker symbol MJ) as its investment benchmark for the MMJ portfolio as it is a highly liquid portfolio trading in the North American market (where most of MMJ's holdings are based). MJ is listed on the New York Stock Exchange

³ Net Tangible Asset Value per share – net tangible assets per share before tax on unrealised gains on investment portfolio

⁴ Inception is 30 June 2018 being the date when MMJ commenced accounting for investments as an investment entity

MMJ NEWS**Performance of MMJ Portfolio for three months ended 30 September 2019****New investments during the September 2019 quarter*****Sequoia Cannabis Inc (CAD3.0m) a great opportunity to invest in the European Union medicinal cannabis market***

Sequoia was another example of MMJ's strong market and financial discipline identifying opportunities and bottlenecks in the cannabis value-chain in markets and then acting quickly to secure an opportunity for MMJ to invest in the European Union (EU), which has a large and growing medicinal cannabis market. Sequoia's immediate focus is to become a significant GMP⁵ -certified hemp CBD⁶ supplier in the EU which has a large and growing medicinal cannabis market. The Sequoia's longer term plans are to expand into the legal medical marijuana market across Europe. Sequoia's cannabis extraction operations will be established in Krakow, Poland, with plans to become a leading supplier of CBD extracts and isolate within the European Union.

WeedMD Inc. (CAD6m) - an opportunity for MMJ to make an investment in an undervalued business on attractive terms

MMJ provided capital as part of a group of investors to allow WeedMD to be sufficiently funded for current cultivation operations and to build out its extraction facility. WeedMD has executed its business plan quite well and has now expanded into outdoor cultivation and has well capitalised plans to become a provider of extracted cannabis products. MMJ invested through a convertible debenture which has priority over ordinary equity and converts at MMJ's option into WeedMD shares at CAD1.60 and also secured 3.75m warrants convertible into shares at CAD1.80 each.

MMJ worked with its specialist management company, Embark Ventures Inc. (EBV), to structure the Sequoia and WeedMD investments to enhance MMJ's portfolio. This is the third investment originated by EBV for MMJ. These investments demonstrate MMJ's capacity to secure investments in private cannabis businesses which are not generally available to Australian retail and institutional investors.

Key investments

Harvest One Cannabis (HVT) is making progress towards its stated objective of reaching 20,000 kg of capacity by the end of 2019 with the announced supply agreement with Stevens Green is for a minimum of 2,000 kg per year for an initial three-year term. The supply agreement has an option to increase the minimum product supplied to 5,000 kg per year. At the end of 31 March 2019, HVT had net cash of CAD29.5m which is expected to allow the company to build out 20,000 kg of production capacity, strategically increase its domestic geographic presence and address any potential working capital requirements. HVT is due to report its financial results for quarter ended 30 June 2019 by 31 October 2019 and MMJ shareholders will be updated.

Portfolio Investment Performance

During the quarter ended 30 September 2019 MMJ outperformed its investment benchmark - Alternative Harvest ETF (MJ)⁷ by 11.8% - a decrease of 22% compared to MJ decline of 34%. In both cases the material decline in value reflected the overall decline in the Canadian cannabis investment market. During the September 2019 quarter Canadian focussed cannabis companies were down 32% while US focussed cannabis companies were down 37%. Our view is that investors are critically examining the capacity of Canadian and US companies to generate sales and earnings growth during the next 12 to 18 months with concern that some companies will need to raise cash to continue the rollout of their business plans.

Major events during the September 2019 quarter which we believe have contributed materially to the decline in the valuation of listed Canadian cannabis business include:

- a) the surprise effective termination of Bruce Linton (former co-CEO of Canopy);
- b) CannTrust's noncompliance report from Health Canada;

⁵ GMP stands for Good Manufacturing Practices, and refers to a system of manufacturing that guarantees reproducibility of product quality to set specifications.

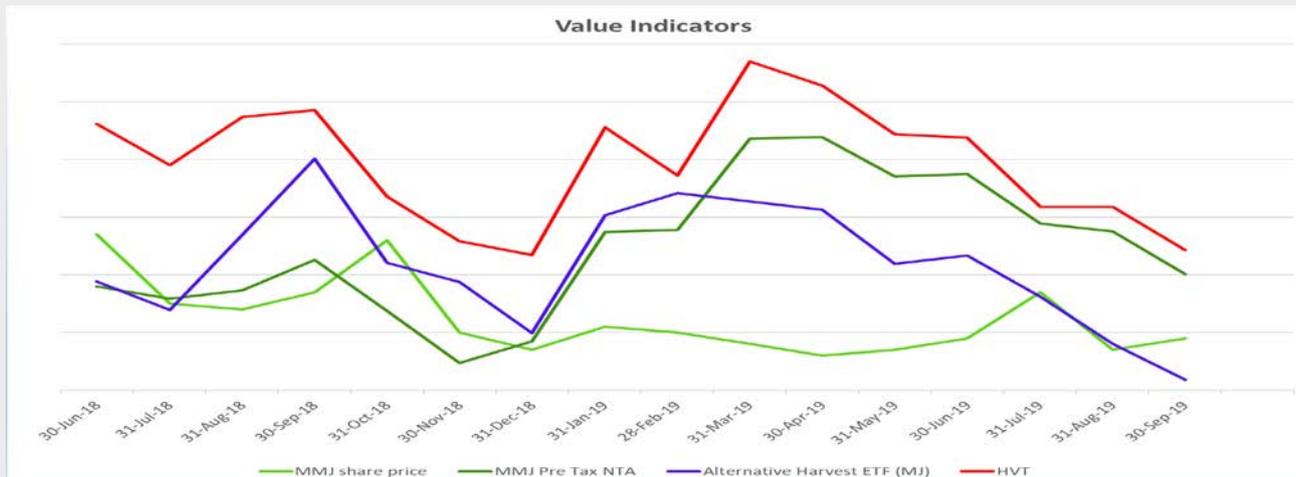
⁶ Cannabidiol (CBD) is a crystalline, nonintoxicating cannabinoid in cannabis and hemp

⁷ MMJ uses the Alternative Harvest ETF (ticker symbol MJ) as its investment benchmark for the MMJ portfolio as it is a highly liquid portfolio trading in the North American market (where most of MMJ's holdings are based). MJ is listed on the New York Stock Exchange

- c) the province of Quebec (more than 20% of the Canadian market) indicating plans to place restrictions on certain cannabis products (such as edibles); and
- d) the below expectation earnings announcements for many of the larger-cap LPs⁸, including Tilray, Cronos and Canopy, indicating a much longer pathway to profitability.

The performance of MMJ's major investment's share price, HVT (35% of MMJ's portfolio) reflected the downturn in the overall Canadian market however HVT continues to outperform our investment benchmark as reflected in Chart One.

Chart One



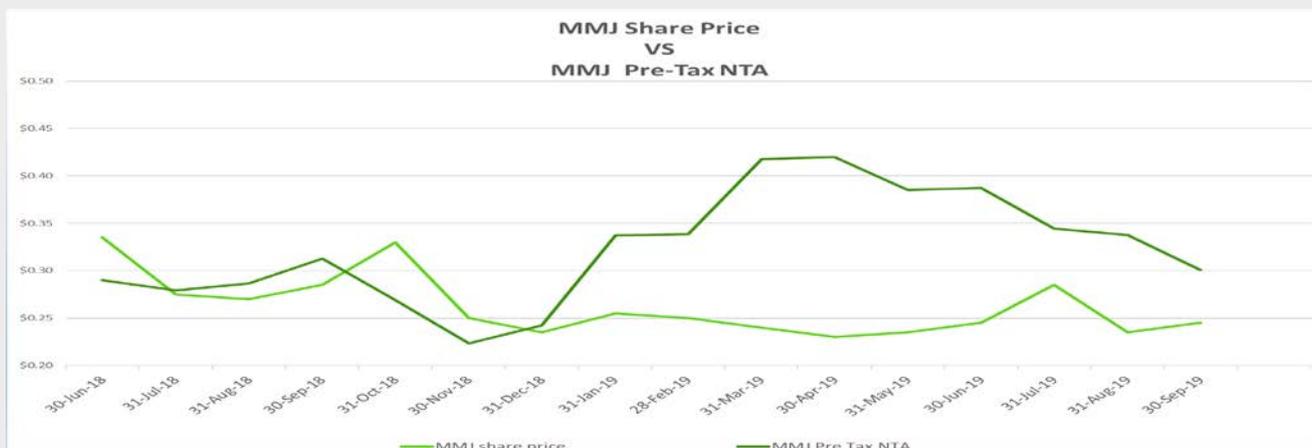
MMJ Investment Strategy

One of the MMJ board's key aims is for the share price to trade at a premium to NTA given the potential returns from our portfolio companies. MMJ is well placed to continue to rollout its investment strategy, key elements of which are to:

- a) enjoy the benefits of the completion of the Harvest One Cannabis business plan;
- b) use existing cash reserves to make further investments at currently depressed valuations in Canadian cannabis stocks which will materially add value to the portfolio during the next twelve months; and
- c) continue the on-market share buyback of up to 10m MMJ ordinary shares over the next 12 months ('buy-back') as part of its active approach to capital management announced on 7 June 2019 to enhance shareholder returns. MMJ had bought back 4.6m shares for an average price of 26.5 cents as at 30 September 2019. The shares which are bought back are cancelled thus reducing the total number of MMJ shares on issue.

Chart Two demonstrates the current discount of the MMJ share price to the pre-tax net tangible asset value (NTA).

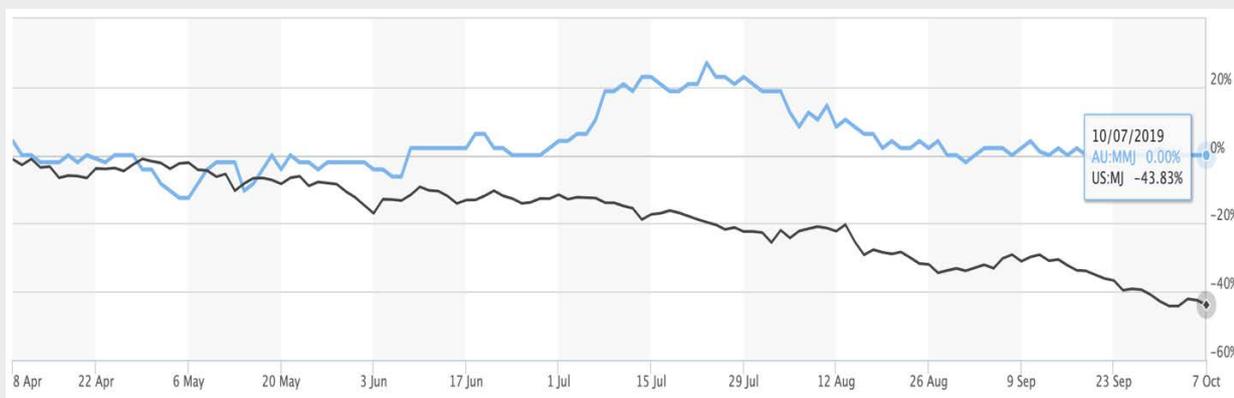
Chart Two



⁸ Licenced producers

Embark Ventures Sector Update – 30 September 2019⁹

The quarter ending September 2019 was certainly a turbulent one for cannabis equities, which appear to have hit a tipping point of sorts after a tepid first half of 2019 spent worrying about valuations and whether stocks had moved too far too fast. The broader markets weren't particularly constructive either in terms of providing market direction. As a summary, over the third quarter, the S&P 500 was up a meagre 1.2% and the ASX 200 also increased by just 1%. The Alternative Cannabis ETF on the other hand has declined approximately 35% over the same period going from US\$31.68 to US\$20.76. Comparatively, MMJ's stock has stayed flat at A\$0.245 over the same period. Over the last 6 months, MMJ stock has significantly outperformed the Alternative Harvest Cannabis ETF:



We expect that the upcoming fourth quarter will continue to be difficult for cannabis equities before consolidation among industry players accelerates and markets can rebound sometime in early part of 2020. The origin of this capitulation phase can be traced back to two events: first the CannTrust crisis in early July where it was found the company had grown cannabis at its facilities without the proper Health Canada licenses; and second with the unexpected and forced departure of Bruce Linton from Canopy Growth in July which indicated to the market that even industry darlings were struggling to produce returns on invested capital. These two events caused a rapid decline in faith of company management teams and called into question the industry's ability to become cash flow positive.

Let no crisis go to waste

The cannabis industry is currently in a crisis – access to investor capital via private placement is drying up and that is a death knell for companies that cannot become cash flow positive. It wouldn't surprise us if roughly one-third of cannabis companies were to not be around in 12-18 months. As we've observed in prior market bubbles such as technology circa 2001 and the housing crisis of 2009, there will be significant consolidation and bankruptcies with the surviving entities positioned to reap the rewards of long-term market growth. Such situations, while often difficult to navigate, should be viewed by investors as an opportunity and not as a crisis.

Play the Consolidation

We are currently assisting our management teams with this process and expect many of our companies will either successfully consolidate or be consolidated. A dried-up capital markets environment calls for companies to merge and benefit from scale (more revenue, lower costs). We are actively working with portfolio companies to guide them through this phase.

Pick the winners

Can we identify the winners to come out of this process? Which companies will be able to navigate the storm and achieve the geometric growth in sales and earnings that justify their market values? Furthermore, can we purchase these equities at prices that protect us in case the storm lasts longer than expected? These are difficult questions to answer definitively.

⁹ This report is provided by Embark Ventures Inc. which is the manager of MMJ's cannabis and hemp investments

We take a much simpler approach by focusing on what is controllable (i.e. process) and less on what is uncontrollable (i.e. capital market gyrations). Therefore, our long-term focus is on finding management teams that have a clear and defined vision on how they plan to deploy capital in order to drive returns for shareholders regardless of access to capital markets funding. As long as we focus on this task, our investments should perform according to expectations.

Invest for the long term

The cannabis investment cycle will be long. There are 195 countries in the world and the trend towards legalization is only in the early innings. There will be many bumps and setbacks on the road to global acceptance of cannabis as a legitimate social entertainment product like alcohol. Unfortunately, retail investors have been the victims of selling at the wrong time – whether its tech in 2001 or housing in 2009. The winners in the long term are investors who are well capitalized, can pick the winners, and then deploy capital when everyone else is fleeing creating much cheaper buying opportunities.

What's New?

This quarter we took on several new positions. The biggest of which was WeedMD (WMD TSX) – we invested C\$6m of MMJ's capital into a C\$13.1m convertible private placement. This was an attractive piece of paper that came with a full listed warrant in addition to paying 8.5% per annum in interest. We were fortunate in being able to have toured the company's facilities and met with management before the deal was announced. We believe over the long term, WeedMD will continue to accelerate its outdoor growth and extraction businesses and produce significant cash flows to justify valuations that are much higher than where it trades today. During the quarter, we also closed several other transactions including a smaller bridge financing into WeedMe and a new position in Poland based extraction company Sequoya Cannabis. As always, our focus is on Cannabis 2.0 opportunities such as extraction specialists and ultra-low-cost producers. We continue to be diligent in managing your capital through the current market storm using valuation and in-depth research as our primary weapons. Our expectation is for choppy markets to persist over the fourth quarter and further industry consolidation to result in a more constructive environment for cannabis equities in the first half of 2020. In the meantime, we will be looking to opportunistically deploy capital as valuations bottom out. If you have any questions, please feel free to reach out and connect with us at info@mmjgh.com.au.

Sincerely,
Embark Ventures Team

Appendix One

1. The year to date performance of MMJ's NTA is detailed below¹⁰:

Table One

MMJ Historical Performance - financial year to date						
		30-Jun-18	30-Jun-19	31-Jul-19	31-Aug-19	30-Sep-19
Share price \$	AUD	0.3350	0.2450	0.2850	0.2350	0.2450
NTA Post Tax \$	AUD	0.2860	0.3718	0.3321	0.3265	0.2901
NTA Pre Tax \$	AUD	0.2900	0.3874	0.3445	0.3378	0.3006
Net Return - pre tax NTA - year to date		n/a	33.6%	(11.1)%	(12.8)%	(22.4)%
Premium/(discount) of share price to pre tax NTA		15.5%	(36.8)%	(17.3)%	(30.4)%	(18.5)%

2. MMJ's investment portfolio (as at 30 September 2019) is detailed in Table Two:

Table Two

Investment	CSE/TSXV/T SX Code	Investment date	Country	Company type	Investment structure	Business	Book Value (unaudited) 30-Sep-19 AUDm	Weight
Harvest One	HVT	Apr-17	Canada	Public	Shares	Health and wellness products	25.2	35%
WeedMD Inc.	WMD.WM and WMD.	Sep-19	Canada	Public	Notes and warrants	Cultivation	6.8	9%
MediPharm Labs	LABS	Jun-18	Canada	Public	Warrants	Extraction	3.4	5%
BevCanna	BEV	Jun-18	Canada	Private	Shares	Beverages	0.5	1%
Fire & Flower	FAF	Apr-18	Canada	Public	Shares + warrants	Retail stores	1.4	2%
Listed investments							37.2	51%
Weed Me		Dec-17	Canada	Private	Shares and warrants	Cultivation	7.8	11%
Embark Health		Jul-18	Canada	Private	Shares and Warrants	Extraction	3.3	5%
Volero		May-19	Canada	Private	Shares and warrants	Vapes	2.8	4%
Sequoia		Jul-19	Canada	Private	Convertible note (including warrants) and shares	Extraction	3.3	5%
VitaGenne		Nov-18	USA	Private	Shares	Hemp CBD	1.5	2%
Bien		Jun-18	Canada	Private	Shares + warrants	Research and development	0.8	1%
Cannabis Access		Apr-18	Australia	Private	Shares	Clinics	1.1	1%
Hemple		Mar-19	Australia	Private	Shares	Hemp CBD	1.0	1%
Martha Jane Medical		May-18	Australia	Private	Shares	Extraction	0.6	1%
Unlisted investments							22.2	31%
Total portfolio excluding cash							59.5	82%
Cash							12.8	18%
Total							72.3	100%

¹⁰ The results for 30 June 2018 and 30 June 2019 are for the year ended on those dates

Appendix One continued

3. Valuation of Assets

MMJ values its cannabis investments by applying the following principles:

- Listed securities – the book value is based on the closing share prices for public companies at period end converted into Australian dollars at the relevant prevailing foreign exchange rates.
- Unlisted securities - The book value is based on the most recent material funding round share prices for private companies converted into Australian dollars at the relevant prevailing foreign exchange rates.

The book values also include the unrealised gain arising from the positive difference between the assessed valuation of investee ordinary equity securities and the exercise price of unexercised warrants (where applicable).

The Net Asset Value or NAV is calculated after deducting a provision for company tax on any net unrealised gains that may arise on such a theoretical disposal.

MMJ does not hedge the carrying value of existing investments denominated in non-AUD currencies.

MMJ's financial statements are subject to statutory audit or review by our independent auditor BDO Audit (WA) Pty Ltd, at 31 December and 30 June each year.

Note:

- All information within this release is unaudited unless stated otherwise.
- The book value includes shares, convertible notes, options and unlisted warrants.
- The book value (presented in the Table Two) is based on the closing share prices for public companies at the relevant date. The book value (presented in the Table Two) is based on the most recent funding round share prices for private companies converted into Australian dollars at the relevant prevailing foreign exchange rates. The market and book values also include the unrealised gain arising from the positive difference between the assessed valuation of investee ordinary equity securities and the exercise price of unexercised warrants (where applicable).
- MMJ holds the following shares and warrants in listed investees:

Table Three

Investment	No. of shares	Number of notes	No. of warrants	Exercise price of warrants	Warrants expiry
Harvest One	55,557,994	-	-	n/a	
MediPharm Labs	-	-	941,176	1.20	4 Oct 2020
BevCanna	953,500	-		n/a	
Fire & Flower	890,000	-	1,250,000	1.05	20 Feb 2020
WeedMD	-	60,000	3,750,000	1.80	25 Sep 2022