

# RxMM Cannabis Business

## Introduction

The Hemet property located in Riverside County was acquired in 2017 comprises approx. 120 acres of raw land. RxMM developed and prepared 7.5 acres (shown below) for growing cannabis for outdoor (hoop house) cultivation with the expectation that the Company could obtain the necessary growing permits enabling it to meet a lucrative subcontract at that time.

This did not come to fruition due to the fact that Riverside County extended a moratorium prohibiting the issue of permits in the County for Hemp and Cannabis cultivation.

Recently, this moratorium was lifted and RxMM Health Capital will now bring the property into full production with a first crop planting scheduled in August for harvesting in late November. A second crop planting is planned for late March 2020, with crops expected every 4-5 months thereafter, with 3 month breaks during Dec-Mar. periods.



The Hemet property will now be used to service the California market with high quality Cannabis Flower.



Above: Aerial view of Hemet property.  
Above right and Below: Installation of 2 water wells



## Special Situation for Selected Clients

### Hemet Revenue Participation

#### Term Sheet

<b>Participation Investment Unit</b>	PPU
<b>Unit Price</b>	\$600,000
<b>Participation</b>	Unit is entitled to 20% of gross revenue
<b>Projected Revenue</b>	*\$30,000,000 per year
<b>Participation Payments</b>	**\$3,000,000 after sale of each crop commencing Dec. 2019
<b>Payment Frequency</b>	Minimum of 2 per year
<b>Security</b>	UCC 1 Filing over 120 acres land
<b>Raw Land Valuation</b>	\$850,000
<b>Land Value with Permits</b>	\$1,250,000 with licenses to cultivate cannabis
<b>Existing 1<sup>st</sup> Mortgage</b>	\$350,000
<b>Return of Principal</b>	From first revenue within 6 months
<b>PPU is Subdividable</b>	In amounts of \$100,000 for a 1/6 <sup>th</sup> interest in PPU
<b>Closing</b>	Immediate

\* Based on \$700/lb for flower - Current market is \$1000/lb

\*\* Projected Revenue

#### Notes

**Expertise** - Management has over 10 years' experience growing and marketing on a large scale.

**Crop Frequency** - Conservatively planned for a min of 2 crops per year.

**Investment** - Over \$1,000,000 invested to date. The land was acquired to grow cannabis outdoors (hoop houses) and has been cleared, fenced and developed for cultivation including water and power supply.

**New Investment** - \$600,000 will bring the property into production with a first crop planting in August for harvesting in late November. A second crop will be planted in late March 2020 with crops expected every 4-5 months with a 3 month break during Dec-Mar.

**Participation Calculation** - 20% of the gross revenue before any cost deductions.

**Sale of Business** - If is sold the PPU Holder will share in 20% of the net sales proceeds.